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Yeltsin, Defying Parliament, Promises to Call Fall Elections

By Fred Hiatt
Washington Post Service

MOSCOW — President Boris N. Yeltsin, declaring that Russia's political crisis had reached a new and more dangerous level, said Thursday that he would call parliamentary elections in the fall if the parliament itself refused to do so.

Mr. Yeltsin's chief opponent, Ruslan I. Khasbulatov, the parliament speaker, immediately accused the president of implicitly threatening the use of force and declared that "nothing unconstitutional shall be allowed." Under the Soviet-era constitution, which remains Russia's only charter, the president does not have the right to dissolve the parliament.

The competing remarks, both made in nationally broadcast speeches, represented an escalation of a battle that had already seen new levels of venom, bitterness and accusation in recent days. Russia's long-running political stalemate between reformers in Mr. Yeltsin's camp and conservatives in the parliament has sapped Russia's energy, blocked the adoption of a democratic constitution and muddled the government's efforts to pursue free-market economics.

On Thursday, Mr. Yeltsin said it was time to "prepare for the decisive battle," which he said could take place in September.

Mr. Yeltsin, after winning a nationwide vote of confidence in April, seemed to have the upper hand during May and June, while his conservative opponents were in disarray. But in July, he seemed to lose the initiative, going on vacation while his opponents, led by Mr. Khasbulatov and Vice President Alexander V. Rutskoi, regrouped and took the offensive.

The president denied on Thursday rumors that he had been ill or inattentive, saying he had been "studying the situation with great attention."

He accused his parliamentary opposition of trying to destroy reform and lead Russia to ruin.

He instructed his government to ignore the parliamentary-approved budget, which he called highly inflationary, as well as new legislation aimed at restricting his powers over the executive branch and the mass media. And he said he would continue pushing to decrease the privatization of state-owned enterprises, a

centerpiece of his program that the parliament has twice voted to slow in recent weeks.

As Russia approaches the second anniversary of the failed hard-line coup that triggered the dissolution of the Soviet Union, the news media have been full of predictions of another coup attempt, either from the left or the right.

With inflation continuing at a fast clip, miners and farmers have threatened strikes. Thursday, about 15,000 farmers and their sympathizers held a demonstration in Moscow, complaining that payments for their harvests would not cover their costs.

Politicians have traded wild and unsubstantiated accusations of corruption, which given the rising level of crime and cynicism, few Russians are inclined to disbelieve. Mr. Khasbulatov, for example, accused a close Yeltsin ally Thursday of having accepted a 5-million-ruble bribe in 1991 (about \$100,000 at the time).

For some months now, most political leaders have said that early elections are the only way to end Russia's stalemate. But with the Soviet-era legislature unwilling to vote itself out of existence, no one has come up with a legal way to make such elections happen before the scheduled vote in 1995.

Mr. Yeltsin's statement Thursday signified that he was prepared to move extralegally to force the elections.

"They absolutely must be held this autumn," he said. "If the parliament itself will not take such a decision, then the president will."

But several legislators immediately said that Mr. Yeltsin did not have the power or authority to make such a move. One hard-line conservative, Vladimir Isakov, said in a news conference that such an attempt would be Mr. Yeltsin's "swan song."

"We can't allow adventurists to throw the country into chaos," said Mr. Khasbulatov. The speaker said the parliament represented the force of law and reason, while Mr. Yeltsin was trying to inflame national passions.

For their part, reformers welcomed Mr. Yeltsin's tough stand but expressed fear he might not see through his pledge. A liberal deputy, Gleb Yakunin, called Mr. Yeltsin's speech "brilliant" but expressed concern that it might remain "an empty phrase," Interfax reported.



A Sarajevo child accepting food from the hand of a French soldier in the UN peacekeeping force.

WORLD BRIEFS

U.S. Warning Cited on Demjanjuk

NEW YORK (Reuters) — The U.S. State Department warned Israel that further detention of John Demjanjuk would elicit a strong reaction from the United States, sources within the World Jewish Congress said Thursday.

The sources said that the written warning had been delivered a day before Israel's attorney general decided on Wednesday not to bring new charges against Mr. Demjanjuk, whose conviction as the Nazi death camp guard "Ivan the Terrible" was overturned.

The U.S. Justice Department, which is fighting Mr. Demjanjuk's return to the United States, was not informed of the action, the sources said. They said that their information came from an Israeli Foreign Ministry official who saw the letter and called it "threatening" in tone. A State Department spokesman called the report of the warning "a surprise to people here." He said the department was looking into it.

Angola Reports Heavy Rebel Shelling

LUANDA, Angola (Reuters) — The rebel UNITA movement pounded the besieged city of Cuito with artillery Thursday despite an unconditional cease-fire offer from the movement's leader, Jonas Savimbi, the Angolan state radio reported.

The radio's correspondent in the central city estimated that 3,000 shells had struck in the previous 48 hours. He gave no casualty figures. Officials said the shelling was so heavy that people could not recover bodies lying in the streets and that wounded were dying unattended.

In an interview in Huambo, about 150 kilometers (100 miles) from Cuito, Mr. Savimbi, leader of the National Union for the Total Independence of Angola, said he was ready for an unconditional cease-fire. But Prime Minister Marcelino José Carlos Moco said in a radio broadcast that the offer was not to be taken seriously.

Floods Raise Belarus Radiation Level

MINSK, Belarus (Reuters) — The former Soviet republic of Belarus said on Thursday that floods left higher levels of radiation in some areas struck by the 1986 Chernobyl nuclear disaster.

The floods, following two weeks of rain, were reported to have eased after damaging hundreds of homes and threatening up to 2 million tons of ripening grain and half the country's potato harvest.

In some areas of southern Belarus badly affected by the Chernobyl explosion, radiation levels were higher than normal but represented no threat to local residents, an official at the Belarus Civil Defense Committee said.

Israel Schedules Deportees' Return

JERUSALEM (AFP) — About half of the 396 Palestinian deportees stranded in southern Lebanon will be allowed to return to the Israeli-occupied territories in mid-September, a Defense Ministry spokesman said Thursday.

Between 60 and 80 of the men will have served their nine-month period in exile on Sept. 17 and 121 deportees, who could have returned home by May under a U.S.-brokered deal, have now asked to come back, the ministry said.

The spokesman for the deportees in their makeshift camp in Lebanon, Abdel Rantissi, said the ministry's statement it was a step in the right direction, but urged Israel to guarantee the return of all the deportees.

TRAVEL UPDATE

U.S. Bans Flights to and From Lagos

WASHINGTON (Combined Dispatches) — The Transportation Department has banned flights between the United States and Lagos, saying the Nigerian airport did not have adequate security. The order specifically prohibits Nigeria Airways from operating between the United States and Lagos.

British Airways and Air France, meanwhile, announced that they were maintaining flights to Lagos, despite three planned days of large-scale anti-government demonstrations that started Thursday. (Reuters, AP)

Employees of Greek state banks, telecommunications and postal services staged a 24-hour strike Thursday to protest the government's plan for partial privatization of the Hellenic Telecommunications Organization. Public transportation employees in the capital also stopped work. Private banks and privately owned buses were operating. (AP)

French police reinforcements stemmed an outbreak of banditry against foreign tourists and other motorists in the Lyon area, officials said Thursday, but two new attacks were reported near Montpellier, west of Marseille. And a dozen voyagers were robbed on an overnight train from Italy to Spain. (AP)

Beijing authorities have vowed to clamp down on tour organizers who are cheating their clients, after complaints from angry tourists, the China Daily said Thursday. Visitors have been charged up to 300 yuan for 3 yuan tickets to visit the Great Wall and the Ming tombs. (AFP)

The People's Liberation Army is inviting tourists to "be a Chinese soldier for a day," the Xinhuas news agency said Thursday. A division stationed in Tianjin about 100 kilometers east of Beijing, is cooperating with the tour. The day's program includes inspecting an honor guard and observing bayonet fighting, hand-to-hand combat and an inspection of various weapons. Xinhuas said. (AP)

Burma's Myanmar Airways International will start flying three times a week between Rangoon and Singapore on Sunday, the Civil Aviation Authority of Singapore said. Silkair now flies three times a week between Rangoon and Singapore. (AP)

A Romanian rail workers' strike on Thursday disrupted train service across the country and stranded the Orient Express and other international trains at the Bulgarian border. (AFP)

Trans World Airlines launched a two-for-one fare sale Thursday for fall and winter travel in the United States and travel to 19 European cities. Northwest Airlines promptly agreed to match the sale in U.S. markets where the two compete. (Reuters)

ERM: Limits on Currency Speculators

Continued from Page 1

needed to discuss Europe's strategy in the GATT talks on world trade.

As a trade-off to get German concessions to favor economic growth, French concessions have been predicted by many analysts in the trade negotiations, especially on agriculture — clearing the way for a deal under the General Agreement on Tariffs and Trade that Chancellor Helmut Kohl of Germany badly wants as a harbinger of economic recovery in Europe.

Blaming the recent difficulties of the French franc on a worldwide network of investors anxious to prevent European countries from unifying their currencies, Mr. Balladur said that "excesses" in the deregulation of the world banking system posed a threat to prosperity and even liberty in many nations. Without spelling out specific

measures for strengthening the hand of governments and central banks in the currency markets, Mr. Balladur said that he would propose joint moves to "reform the international monetary and credit system" to Mr. Kohl when they meet later this month.

Some French officials have singled out the United States and Britain as the culprits for the turbulence in the European Monetary System, but Mr. Balladur did not. Instead, he said that networks of speculators all over the world sought to force all countries' currencies to float freely so that they could trade lucratively on fluctuations.

Most analysts see little prospect of any early measures that would reverse markets' ability to prevail when they sense weakness in a nation's economic policies. In prac-

ice, Mr. Balladur's calls for greater control over international currency flows seemed largely designed to reassure French opinion about governments' powers to defend the economy.

More concretely, Mr. Balladur announced the income-tax cuts in the 1994 budget, coupled with measures for companies and low-income families, to stimulate a recovery of consumer spending in France.

Ahead of his comments, an article in Le Monde newspaper said that France expected to cut taxes in tandem with Germany — a new direction in bilateral cooperation that Mr. Balladur declined to confirm. Germany announced plans Wednesday to increase some taxes on the wealthy.

In the Le Monde report, which appeared to be politically inspired, the French government was said to have concluded that interest rate cuts would not come quickly enough for leaders in either Paris or Bonn.

Besides the electoral risks for both governments, continuing economic stagnation also threatens to undermine support in both countries for European unity, where a growing number of people associate the Maastricht treaty on economic and monetary union moves with mounting joblessness and deepening recession.

A move by Mr. Kohl to cut taxes, on the face of it, would run counter to demands, including by his own government, that Germans accept greater economic sacrifices to pay off the costs in southern Europe.

The inflationary effects of absorbing former East Germany are widely blamed for putting German policy at odds with trends in France and straining European unity.

Italy to Reinforce Border With Former Yugoslavia

By John Tagliabue
New York Times Service

ROME — Reacting to mounting evidence of a flow of men and weapons from the former Yugoslavia, Italy said Thursday that it would send troops to its northeastern borders to guard against possible reprisals in case NATO aircraft attack Bosnia.

Defense Minister Fabio Fabi said in a radio interview that the main threat was "of a terrorist nature."

"We know the frontier to be the point through which arms and explosive materials from the regions of the former Yugoslavia flow, along with people," he said.

The government was evidently reacting to calls from political leaders in the region, where police have already increased their presence at potential terrorist targets such as airports and train stations and also tourist resorts along the Adriatic coast.

Bosnian Serbian leaders have threatened retaliation against countries involved in any air strikes. Aircraft are stationed on carriers in the Adriatic as well as at North Atlantic Treaty Organization bases, including one at Sigonella, in Sicily. But mainly they fly out of such large bases as the one in Aviano, north of Venice. All these bases are in a state of high alert.

The government's actions also appeared to be prompted by evidence emerging that perhaps closer links exist than had previously been thought between Italian organized crime and the flow of arms fueling the fighting in the former Yugoslavia. In a report to Parliament last week, Prime Minister Carlo Azeglio Ciampi, described "signs of dangerous collusion" between Italian organized crime and "more radical factions" in the warring Yugoslav republics.

Though no arrests have been made in recent bombings in Italy, investigators and anti-terror experts agree that one working hypothesis is that the bombings were a reaction to crackdowns on the mafia.

BOSNIA: Pullout Problem

Continued from Page 1

some information they will withdraw in a short time. We will wait and see.

The UN commander in Bosnia, General Jean Cot of France, said at a news conference in Zagreb that he had given mediators in Geneva "evidence that the Serbs had resumed their withdrawal, starting with logistic elements to be followed this afternoon by combat elements."

General Cot's remarks came after the UN spokesman in Sarajevo, Lieutenant Commander Barry Frewer, said there were still many Serbs on Mount Igman, where only small numbers of UN monitors were deployed.

General Cot said that the UN commander in Sarajevo, Lieutenant General Francis Briguemont of Belgium, met NATO officers in Italy to discuss air strikes.

According to an agreement between the United Nations and NATO, the UN secretary-general, Boutros Boutros Ghali, must give the initial go-ahead for air strikes, and if NATO aircraft are used, General Cot will have a voice in the choice of targets. (Reuters, AFP, AP)

U.K. Expands Sarajevo Rescue Mission

By John Tagliabue
New York Times Service

LONDON — A British mission to rescue an additional 20 sick and wounded Bosnians from Sarajevo began Thursday as the 5-year-old girl who has highlighted the plight of the city clung to life in a London hospital.

A team of Royal Air Force casualty evacuation experts flew to the Italian city of Ancona, where they will join other doctors for the flight to Sarajevo.

Prime Minister John Major of Britain announced the plan after an outcry over the plight of Irma Hadzimiratovic, who was airlifted to London on

Monday for emergency surgery. Sweden will take 16 injured Bosnians from Sarajevo, and Ireland, five.

Irma spent another night on the operating table, doctors said Thursday. She was still weak but stable and was breathing with the help of a ventilator after undergoing three and a half hours of surgery on Wednesday night at the Great Ormond Street Hospital for Sick Children.

Dr. Robert Wheeler, a pediatrician, said the four surgeons who operated on Irma found more internal injuries, caused by a Serbian mortar attack last month that killed her mother.

Saxon Site of Hostel Siege Sees New Neo-Nazi Attack

By Alan Riding
New York Times Service

HOYERSWERDA, Germany — A gang of as many as 10 neo-Nazis used heavy tools to attack three Greek men in this Saxon town, the scene of one of Germany's ugliest racist attacks in 1991, prosecutors said Thursday.

Also Thursday, the Federal Criminal Office said that racist violence more than tripled in June after an arson attack in the city of Solingen killed five Turks. The office said that the number of recorded racist crimes rose to 1,307 in June from 400 in May. At least 25 people have been killed in racist attacks in the last 18 months.

In Hoyerswerda, the local prosecutor said eight members of the neo-Nazi gang, aged 20 to 39, were arrested after attacking the Greek workers at a taxi stand Wednesday. They gave hatred of foreigners as their motive.

One of the Greeks suffered a severe concussion, another, possibly, a fractured skull; the third had facial injuries.

All but one of the attackers live in Hoyerswerda, a depressed town where hundreds of people cheered young neo-Nazis who besieged a foreigners' hostel for a week in September 1991.

Europe's Young: Hope Amid Joblessness, and Ideals Alongside Anger

By Alan Riding
New York Times Service

PARIS — Struggling to find good jobs at a time of recession, often forced to live at home until well into their 20s, disenfranchised both by governments and opposition parties, the young people of Europe may have reason to feel pessimistic about their future.

Yet, despite the gloom, they also offer evidence that a new Europe is

was really happy to be European," said Sarah Dallas, 26, a Briton who works on a New Age magazine in London. "We've been through so much together that it's very unifying. I am British first but I am also proud to be European."

In Madrid, Marimar Gonzalez Monjes was no less enthusiastic. "I probably feel more Spanish, but I like leading Europe," said the secretary, who is 23. She was unwilling to blame "Europe" for the fact that she was out of work.

Polls by the European Community say that three out of four Europeans between the ages of 15 and 24 support efforts to achieve regional union, although that endorsement may well be more of an instinctive response than one shaped by detailed knowledge.

Those who like the idea of a United States of Europe recognize that it is a distant dream. Yet many see Europe as adding a new dimension to their lives and this awareness is growing rapidly.

They know the region — and each other — better than their parents ever did. Most have visited another European country as exchange students or tourists, and many speak at least one language — usually English — other than their own. In traveling and studying, they discover they have problems and dreams in common.

In a series of interviews with people in their late teens and early 20s across Western Europe, the same

themes recurred. The young worry about unemployment, the cost of housing, the rise of racism and the war in the Balkans. And many are determined to fight for a cleaner environment, to defend freedom, human rights and tolerance and to remember the Third World needy.

"From a human point of view, I'm worried about the rampant racism that we're seeing across Europe," said Diana Allegretti, 20, a law student in Rome. "For the rest, I guess I worry about the sorts of thing that all people of my age worry about, existentialist questions like, 'Where am I going?'"

The responses vary, of course, between countries and economic classes, with those in southern Europe generally more optimistic and those with higher education more likely to feel European.

Perhaps what unites young Europeans the most often is that they are coming of age in a Europe dramatically different from that of their elders. Their grandparents still carry the scars of World War II. Their parents lived through the Cold War. But the young cannot remember a Europe racked by tensions between East and West.

"That belongs more to history books," Tania Clarend, 26, an English-language student in Nice, said dismissively, as if it could have been taken for granted that the Berlin Wall would come down. "The collapse of communism was positive, but I wasn't afraid of any conflict before it happened."

Except for disquiet about the war in Bosnia-Herzegovina, they seem unalarmed by the instability that has followed the Cold War.

"It's bound to be confusing for a while, but it will get better," Miss Dallas said. "It was like a bad marriage before. Just because it was stable, it didn't mean it was good."

Hard Times Wilt Ideals

No less crucially, though, European youths are also growing up in a region that is undergoing radical economic change — one in which a secure job is no longer assured.

The change is even apparent in fashion. In London, the glamour of what is known as "recession dressing," or the "crust" — a sort of down-market grunge look. As one Londoner put it, "It is trendy to look like a homeless person."

Unsurprisingly, then, this is not a generation that dreams of changing the world. Nowhere in Europe are leftist students on the offensive.

A team of Royal Air Force casualty evacuation experts flew to the Italian city of Ancona, where they will join other doctors for the flight to Sarajevo.

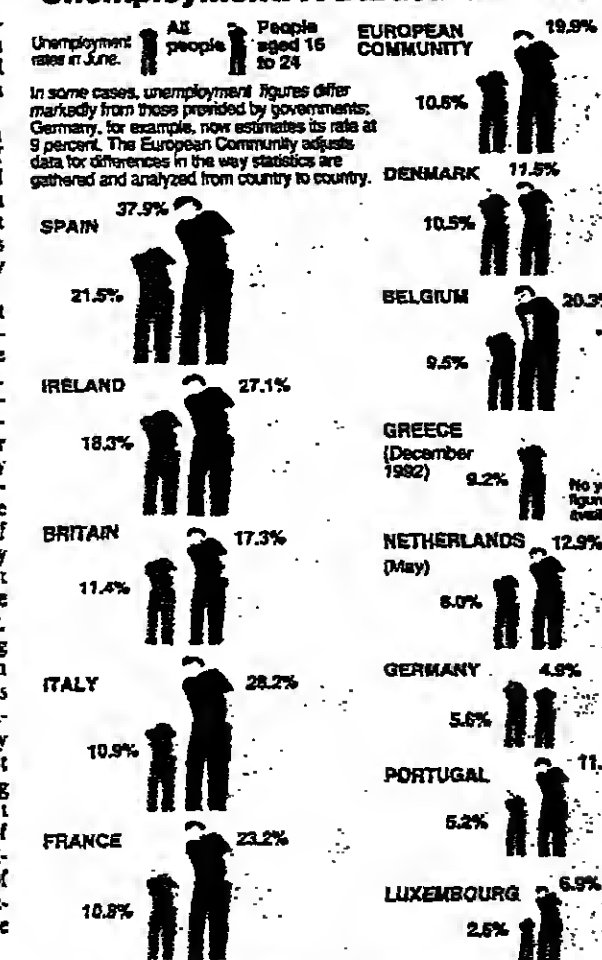
Prime Minister John Major of Britain announced the plan after an outcry over the plight of Irma Hadzimiratovic, who was airlifted to London on

Monday for emergency surgery. Sweden will take 16 injured Bosnians from Sarajevo, and Ireland, five. Irma spent another night on the operating table, doctors said Thursday. She was still weak but stable and was breathing with the help of a ventilator after undergoing three and a half hours of surgery on Wednesday night at the Great Ormond Street Hospital for Sick Children.

Unemployment Picture

Now, with recession, things have again deteriorated. By June of this year, unemployment in the community stood at 10.6 percent but

Unemployment: A Burden on Youth



excluding students, it affected 19.9 percent of those aged 16 to 24. In France, youth unemployment reached 23.2 percent, in Italy 28.2 percent and in Spain 37.9 percent. And the jobless rate is still rising. Further, while the first youth unemployment crisis mainly hit those

without higher education, the last 18 months — and the last three years in Britain — have decimated the job prospects of graduates.

That is partly because the number of youths attending colleges and universities has been growing steadily since the 1960s. In Spain alone, the university student population doubled in the 1980s. Yet the changing structure of West Europe's economies is probably a better explanation. More than ever, they are dominated by the service sector, which is sensitive to economic slowdowns.

Miss Dallas, who worked for a year at her London magazine for just subway fare before she began to receive a salary, said her main concern was to hold on to her job. "Everyone's aspirations have become more realistic," she said of her friends. "Only airheads have big ambitions today. No one thinks long-term."

Will Anger, 24, doing odd jobs in Britain since graduating in 1991, said he scans The Guardian for job openings every Monday and then sends off letters. "One in two replies, one in five offers an interview," he said.

The job market is shrinking elsewhere in Europe, too. In Germany, which until now has suffered little from youth unemployment, the loss of jobs is affecting a relatively older age group because students there often leave universities only at the age of 28 or older.

For example, Ulrich Seibert, who graduated as a translator in Mandarin Chinese in 1991, has yet to find a job in his specialty at the age of 31.

Mindful of the changing economic climate, Mario Garcia Gamella, 25, preferred to drop out of Complutense University in Madrid last year when he was offered a job

as a bank clerk, even though he was only two courses away from his economics degree. "A secure job is not something to be dismissed these days," Mr. Garcia said.

Fading Faith

Their difficulties in making it on their own, on the other hand, might be mitigated if they felt any confidence in the political classes running their countries. The Ipsos poll of students said 58 percent of those questioned expressed faith in scientists, 22 percent in philosophers and only 10 percent in politicians.

Miss Dallas spoke scathingly about Germany's leaders. "I don't think they can cope with all this change," she said. "They're always running off to the Constitutional Court because they have no idea what to do. It's ridiculous. They don't know where they're going."

A poll published by Le Nouvel Observateur said 63 percent of French youths between the ages of 16 and 24 thought politicians were chronically dishonest.

In Britain, where the popularity of John Major is lower than that of any other British prime minister since polling began there in 1938, many young people have turned their backs on politics.

"No one can remember Labor because we all grew up under Thatcher," Miss Dallas said. "Italy's youth, in contrast, seems to have been stirred by the drive against corruption that is shaking the country's political system. I feel confident because something is changing," said Aldrea Guaglio, 22, a student of aeronautical engineering in Milan.

Miss Allegretti was also upbeat. "It's a great period of change," she said. "And if we are different, we will get to the bottom of things. That makes me optimistic."

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DEATH NOTICE
Christiane and Mireille Boyd, wife and daughter, regret to announce the death of
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on August 10, at the American Hospital in Paris. Services will be held at the American Cathedral, 23, Ave. George V, 75008 Paris, on Monday, August 16, at 2 p.m.

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Phnom Penh Tells Troops to Retaliate

Compiled by Our Staff From Dispatches
PHNOM PENH—The Cambodian government has ordered its soldiers to retaliate against continued Khmer Rouge attacks, a senior military official said Thursday.

Nhek Bun Chhay, deputy commander in chief of the Cambodian armed forces, said his soldiers had been ordered to fight back against the guerrilla group in the central province of Kampong Thom and the northern provinces of Stien Reap and Preah Vihear.

"The Khmer Rouge doesn't really intend to pursue national reconciliation," he said. "The Khmer Rouge continues to fight us, exploding bridges and roads. The government ordered us to retaliate."

In the biggest attack this week, government soldiers advanced on a Khmer Rouge position in Kampong Thom Province, killing 18 guerrillas, arresting 73 and wounding many more, the commander said. One government soldier was killed and a number were injured in the attack, he said.

Government soldiers also have been attacking the Khmer Rouge in Preah Vihear Province, where the guerrilla group recently seized a border checkpoint controlled by the government.

The Khmer Rouge, which controls about 20 percent of Cambodia, has said it would be willing to join Phnom Penh's new national army and permit access to its territory if given an advisory role in the government.

But the government has said it will not consider the proposal until the Khmer Rouge stops attacking its forces.

Meanwhile, the co-leaders of Cambodia's coalition government arrived in Thailand on Thursday for three days of talks.

Prime Norodom Ranariddh and Hun Sen were to meet with the Thai prime minister, Chuan Leekpai, on Friday. Officials traveling with the Cambodians said border issues would be among the topics discussed. (AP, Reuters)



NECK-DEEP—A New Delhi employee doing his all Thursday to fix a sewer line damaged by rains, as his companion looked on.

Hosokawa Favors Anti-Nuclear Pact

Reuters
TOKYO—Prime Minister Morihiro Hosokawa favors an indefinite extension of the Nuclear Non-Proliferation Treaty and expects to win over opponents within his governing coalition, his top aide said Thursday.

"We are making progress in building a consensus within the coalition to back an extension with no limits, something that the prime minister has said he supports," chief cabinet secretary Takemura, the chief cabinet secretary, said.

"We will coordinate the views of our partners and announce a final decision next week," he said.

The previous government, controlled by the Liberal Democratic Party, had been reluctant to agree to an indefinite extension of the treaty, which is due to terminate in 1995. Some Liberal Democrats, fearing a possible nuclear threat from North Korea, want Japan to have the option of developing its own nuclear weapons.

Officials in the Social Democratic Party, part of Mr. Hosokawa's coalition, advise caution for reasons opposite to those espoused by Liberal Democrats. The Socialists, who have long opposed nuclear power and the possession of nuclear arms, think the treaty does not go far enough. They favor Japan's seeking stricter regulations to prevent nuclear proliferation in the Asian region and the Third World.

Meanwhile, an opinion poll released Thursday indicated that three out of four Japanese approve of their own prime minister, a record rating for a head of government entering office in Japan.

The daily Mainichi Shimbun, reporting on the first survey of voters since Mr. Hosokawa was sworn in on Monday, said his approval rating stood at 75 percent.

When the former prime minister, Kiichi Miyazawa, was elected to the post in 1991, he had an approval rating of 31 percent. His predecessor, Toshiki Kaifu, had the same poor showing in 1989.

Only 9 percent of those surveyed said they disapproved of Mr. Hosokawa and his cabinet, while 14 percent expressed no opinion. Even among staunch Liberal Democratic supporters, Mr. Hosokawa received an approval rating of 59 percent.

The telephone survey questioned about 1,000 voters nationwide.

U.S. Troops Clash With Aidid Backers

Washington Post Service
MOGADISHU, Somalia—This jittery capital was put further on edge Friday after hundreds of supporters of the fugitive warlord Mohammed Farrah Aidid began pelting a U.S. Army patrol with rocks and the Americans responded by firing automatic weapons and apparently spraying the Somalis with tear gas, according to witnesses and videotape.

U.S. military officials said no one was hurt, and they denied suggestions that the American soldiers deliberately had tried to provoke the Somalis or break up a pro-Aidid rally.

But coming after the slaying on Sunday of four American soldiers by a remote-controlled bomb, and widespread expectation that a U.S. retaliatory strike may be imminent, the incident served to heighten tensions.

Shortly after the incident, Somalis came to a hotel where foreign journalists stay, bringing with them three hand grenades and bloody young men whom they asserted had been shot and wounded by the American troops. But journalists were skeptical, since no grenades were recovered.

Major David Stockwell of the U.S. Army, the UN military spokesman in Somalia, said the three-vehicle American patrol was on a routine mission from the capital's airport and was unaware the pro-Aidid rally was taking place.

When the unit commander gave the order to pass around a barricade and drive through the center of the rally, the Americans were attacked with stones and heard several shots fired, he said.

However, several journalists on hand covering the rally, including a cameraman for Reuters television who shot a videotape, said that the first shots had come from the American troops brandishing their M-16s, and that some Somalis in the crowd had fired back.

KEITH B. RICHBURG

Italy, citing differences with the United Nations over the peace-keeping mission in Somalia, said on Thursday that it would move its troops from Mogadishu to locations north of the capital, Reuters reported from Rome.

QUAGMIRE: Somalia Misstep

Continued from Page 1
 disarmament. "They desperately wanted us to do it. And we repeatedly said we're not going to take it on."

As a result, Mr. Oakley said, the United Nations never made any serious long-term plan for disarming the country, and there was a "missed opportunity" to begin the process while 28,000 U.S. troops were in Somalia.

By concentrating strictly on feeding famine victims, and confiscating weapons only in the limited "famine zone" under control of U.S. forces, the Americans were able to leave in May with a Somali success story: The famine was broken, food was flowing freely and U.S. forces had suffered only two combat deaths.

Since then, however, UN troops, including Americans, have got bogged down in the shooting war that the United States had managed to avoid.

"The irony is that the Bush administration's successful attempt to keep U.S. soldiers from getting killed eight months ago has led to their being killed under President Bill Clinton."

Mr. Oakley and others involved in the Somalia intervention from its inception say one of the failings of the UN operation today, and a reason for its showdown with General Aidid, is that the new UN policy-makers in Mogadishu have not been as deft at mixing political negotiation with military action.

The UN envoy, Jonathan Howe, a retired U.S. Navy officer, refused to meet directly with General Aidid for the most part. Mr. Oakley's replacement, Robert Gossende, similarly kept his distance. The more isolated the warlord felt, the more strident became the anti-United Nations rhetoric broadcast on his Mogadishu radio station.

During the U.S.-led operation, General Aidid occasionally tried to pose a military challenge, and each time the warlord and his militia were slapped down hard.

"We suppressed it because we intimidated them," said a senior U.S. Marine officer in Somalia during the U.S.-led intervention. "They knew what kind of a response they would get from us. And it wouldn't be proportional."

The United Nations, by contrast, has responded to General Aidid's attacks by retreating. After a June 5 ambush killed 24 Pakistani peacekeepers, UN patrols virtually disappeared from the streets. Today, the 13,000 UN troops in Mogadishu stay largely confined behind the high walls and barbed wire of their fortified compound, leaving Somali gunmen in control of entire neighborhoods.

Protest Over Military Rule Cripples Key Nigeria Cities

Compiled by Our Staff From Dispatches
LAGOS—A stay-at-home protest against military rule in Nigeria crippled Lagos and some other southwestern cities Thursday but seemed to have had little effect in the north and on the country's oil industry.

LAGOS, Nigeria's commercial center, was almost deserted except for armed policemen at strategic points. Security forces patrolled eerily empty streets, and helicopters hovered above the city. Most banks and shops were closed.

Human rights groups called the three-day general strike, beginning Thursday, to oppose the government of General Ibrahim Babangida, who voided the June 12 presidential election that was to return Nigeria to civilian rule after a decade of military dictatorship.

The organizers, the Campaign for Democracy, described the protest as a success.

Nigeria's second largest city, Ibadan, 120 kilometers (75 miles) north of Lagos, was also virtually at a standstill, residents said.

Doubts about General Babangida's promise to return the country to democracy have thrown Nigeria into its gravest political crisis in 23 years.

Lagos and the Yoruba-speaking southwest are the home ground of Moshood K.O. Abiola, a businessman who is widely believed to have won the June election.

(Reuters, AP)

Some in Japan Are Worried About Overdoing Apologies

Agence France-Press
TOKYO—Prime Minister Morihiro Hosokawa's acknowledgment of Tokyo's World War II responsibilities has triggered a backlash in Japan, fearful of renewed compensation demands from Asia.

Nationalist sentiments are cropping up three days before the 48th anniversary of the end of the war, which claimed 20 million Asian lives while killing 3 million Japanese soldiers.

The Sankei Shimbun, a nationwide conservative daily, in an editorial Thursday lashed out against moves to "convict Japan based on one-sided interpretation of history."

"We do not want our children to inherit fact-distorting historical views," the paper said, arguing that the former Soviet Union unilaterally attacked Japan and that the war led to Asian liberation from Europeans.

Mr. Hosokawa said in his first news conference Tuesday that Japan waged a "war of aggression."

"I admit it was a wrong war," he said in what was the most frank acknowledgment of war atrocities by a Japanese prime minister.

BEAUTY: Manila Crusader Meets His Match in the Sultanate of Brunei

Continued from Page 1
 headlines." But the sharpest reaction came from the parents of a 19-year-old actress-model, Ruffa Gutierrez, a recent beauty pageant winner scheduled to compete in the Miss World contest in South Africa in November.

Her father, the actor Eddie Gutierrez, challenged Mr. Maceda to a fistfight, while her mother, Annabelle Rama, called him a pimp.

Sultan Muda Hassanal Bolkiah of Brunei, a tiny country on the northern coast of Borneo, is ranked by Fortune magazine as the world's richest man, with reputed assets of \$37 billion. According to a 1989 biography by James Bartholomew, the sultan and his brothers had villas built with private beaches where they could have parties, as well as the parties held in the palace which sometimes lasted through the night. Women from various parts of the world were flown in to take part.

The sultan, 47, has since shed his playboy image in keeping with his strict "Malay Islamic Moorsarchy" policies, which forbid alcohol and public singing and dancing. But his younger brothers, Jefri, the finance minister, and Sufri, who holds government post, have maintained their playboy reputations.

"Basically they need companionship and spectators with the recruitment of entertainers for Brunei."

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OPINION

Herald International Tribune

Russians and Japanese

Four barren islands in the Kuril chain stand between Russia and Japan. A reformist Russian government is reluctant to return them for fear of stirring nationalist reaction at home.

Millions of Land Mines

The unique and demonic feature of land mines, which combatants scattered during the Cold War, is that when they are over and all the other guns are silent, the anti-personnel mines are still there.

A Coarsening of Politics

"I was not made for the job or public spotlight of public life in Washington," Vincent Foster wrote sometime before he committed suicide. "Here routine jobs is considered sordid."

Other Comment

Chile Will Have to Face Its Past

In the 17 years of Augusto Pinochet's dictatorship, many Chileans were killed or disappeared after being detained by the military government's security forces.

answer the hard questions asked by the relatives, human rights groups and leftist parties. But at the same time he must appease the military and military circles, and their rightist supporters.

Link China's Trade Status to Arms Sales, Not Rights

WASHINGTON — Although candidate Bill Clinton promised to make the fight against nuclear and chemical weapons a top priority, the president appears, at least thus far, to be giving the issue short shrift.

By Lally Weymouth

Iran, Beijing's response has been to deny that the ship is carrying the potentially deadly cargo. This is not the first time Iran has benefited from Chinese arms sales.

On proliferation, the U.S. is trapped in a dilemma regarding China.

M-11 intermediate-range missiles to Pakistan, thereby violating an international arms control accord — the Missile Technology Control Regime — by which Beijing said it would abide.

by the arms sales goes to the Chinese military for weapons modernization.

Alarmed by the increasingly flagrant pattern of Chinese arms violations, Mr. Christopher met the Chinese foreign minister, Qian Qichen, in late July in Singapore to warn him that Chinese missile exports to Pakistan might prompt U.S. sanctions.

The Clinton administration has maintained that the evidence is strong — but not conclusive — enough to act against China.

Washington needs to define a simple and successful policy toward China. But the administration appears divided. It is chastising China for selling Pakistan advanced missiles and for shipping deadly chemical ingredients to Iran.

Perhaps the best tactic for the administration would be to link next year's extension of favored-nation trade status for China to new proliferation practices.

Today the United States has imposed a human rights violation on the Chinese, but it may prove easier to force some changes in proliferation practices via most-favored-nation trade status.

A Killing Spree, 'Just for Whatever'

NEW YORK — Denver's long season of violence and sorrow began in May when an infant just 10 months old was struck by a bullet at the polar bear exhibit of the Denver Zoo.

By Bob Herbert

One of the motorists was a 27-year-old schoolteacher, Lori Anne Lowe. When asked why she had been shot, a Colorado official replied, "Just for whatever."

It is estimated that 270,000 students carry guns to school each day. The violence is just out of control," said Governor Roy Romer of Colorado, who has called a special session of the state legislature to consider, among other things, gun control for teenagers and children.

The availability of guns is a big part of the problem, but there are many other factors. Firearms have deteriorated, disintegrated. Girls too young to see R-rated movies are having their second and third children.



A handgun on every pot, an AK-47 in every garage.

and exploited to such an extent that it is as common as the pollution in the air, and more deadly. Racism has continued to handicap, alienate and enrage huge segments of the society, and the country remains unwilling to honestly view the consequences.

Thailand: Business at the Center of a Complex Regional Web

BANGKOK — The UN Transitional Authority in Cambodia is winding down, and with it the perception of Cambodia as an international problem involving the major powers.

By Philip Bowring

Vietnam may be the most populous of the states of the region, and may still have the strongest forces. But increasingly the key player is Thailand, with its combination of economic power, ties to a close relationship with China.

increasingly under the power of Thai money — sometimes to its own detriment. This is the case with logging and mining. Geography always tied Laos closer to Thailand than to Vietnam.

many Thai businessmen are ethnic Chinese, there should be few problems in expanding land trade. The Chinese meanwhile are increasing their influence southwestward into Burma. They have been the chief providers of military and diplomatic support for the Rangoon government, and have been cooperating in suppressing Burmese rebel groups along the border which China used to support.

Thailand likewise is content to see an unpopular government in Rangoon that is badly in need of friends and money. Many Thais decry the way Thai military and business figures have profited from exploiting Burma's resources while indirectly helping to prop up its dictatorial regime with money and a less accommodating attitude toward rebels along the border.

Belgium: Separatism Made to Look Less Potent

PARIS — I met the late King Baudouin of Belgium one evening in the spring of 1955, in immense and stifling heat, on a riverboat off Stanleyville, in what then was the Belgian Congo.

By William Pfaff

had been forced to abdicate. Leopold had surrendered Belgium unconditionally to the Germans in May 1940, remaining in Belgium while the government went to London to carry on the resistance.

favor of unity. In the days leading up to the funeral, a tenth of the entire population of Belgium stood patiently in line, at times for 10 to 12 hours, in order to file by Baudouin's coffin.

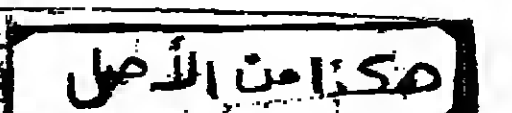
future rests on that. But it may be that more than Belgium is involved. There is a crucial precedent being set in Belgium. If the Belgians cannot overcome their internal conflict — which, whatever the remembered injustices of the past, is today a matter of intrinsically minor and even frivolous issues — what realistic hope is there for real political behavior in the Balkans, and in Eastern and ex-Soviet Europe, where the things to fight about are really serious?

Like the nation-states of Europe, those of Southeast Asia are beset with historical rivalries and border problems. None have permanent friends. All have permanent interests.

International Herald Tribune advertisement listing staff members: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD MCLEAN, JOHN VINOCCUR, etc.

Advertisement for 'A Killing Spree, Just for Whatever' by Bob Herbert, including a photo of a handgun and AK-47.

Historical articles: '1893: Bombay Riots', '1918: Air Fights', '1943: Filipinos Assured'. Includes text about British official communique and air strikes.



OPINION

Questions Foster Left Behind Are Worth Pursuing

By William Safire

WASHINGTON — The Justice Department released the text, but not the photocopy, of the note handwritten by Vincent Foster, the deputy White House counsel, ostensibly out of deference to the feelings of the apparent suicide's family.

Who tore up Mr. Foster's note? How could he, or a subsequent finder, tear it up without leaving fingerprints? Why preserve the pieces in a briefcase? Why remove the signature fragment? How could the pieces be overlooked in a search of a briefcase? Did the belated discovery of the pieces reflect a decision not to destroy evidence? Where is the missing piece? Why did the White House coun-

sel delay 27 hours before turning over the reassembled note to the police? We were told it was to re-view the note with the Clintons on their return from Chicago, but the White House spokesman said on Tuesday that "the president did not see the note." Did he review it without seeing it? Did Mr. Foster bring the gun into the White House that morning? Did he leave it in the back of his car? Did he return home after lunch at his desk to get it? Why, with a secluded park within walking distance of his house, did he drive to a park across the Potomac? Was he familiar with that spot? Did he meet anyone there?

Where is the white middle-aged male, no tie or jacket, driving a white van, who reported finding the body to a parkway attendant? Did any of the people in the cars parked in the parkway lot hear the shot? Was Mr. Foster alone when the shot was fired?

After the body was reported found at 6 P.M., why was Mr. Foster's office not sealed until mid-morning the next day? The park police chief, Robert Langston, told reporters twice after releasing the torn-up note that "a box, a carton of documents, was returned" during that time and later corroborated by his spokesman, R. H. Hines. Is it true?

Counsel Bernard Nussbaum adamantly disputes the chief's account, claiming that only a plastic bag of trash was removed by a cleaning woman and retrieved. After being reached by David Margolis of Justice, Chief Langston's memory became befogged. Who was telling the truth and when? After noting Mr. Foster's allegation of a federal crime — "the UShers Office plotted to have excessive costs incurred" — why did the FBI fail to investigate possibly intentional 50 percent cost overruns in White House redecoration? Did anyone seek to block or delay an inquiry into this? Did Justice's Criminal Division question FBI officials about the charge that "the FBI lied in their report to the AG" about the travel office?

Was there anything else Mr. Foster was working on, in Arkansas business dealings involving Clinton friends or in intelligence matters that bear on his state of mind? Is this why the police and FBI reports remain secret, being vetted for national security and privacy exemptions before release six weeks from now under the Freedom of Information Act? Were police or FBI agents permitted unrestricted access to Mr. Foster's telephone logs, calendar and computer files, as well as home and office long-distance records, to determine a motive for suicide? Did White House officials claim executive or attorney-client privilege? Why did Janet Reno allow the White House counsel to determine what Justice could not see? Why did officials of the Public Integrity Division wait from July 27 until Aug. 6 to interview White House aides about the criminal allegations in the Foster note? Did the absence of FBI agents in these visits mean that Justice finds a conflict of interest within the FBI on this matter? Did Public Integrity ask Hillary Rodham Clinton about unbudgeted overtime costs in redecoration?

What is the point of this questioning, when eight out of 10 suicides are driven by depressive illness, not external pressures? It may not lead to revelations, but will surely show us how this White House malfunctions in an emergency and its aftermath. That is worth pursuing.

The New York Times

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A Dark Film That Brings Light

By Flora Lewis

PARIS — There is no need to go to the movies to be reminded that prejudice, bigotry, bitter hatred live on in this world. But a remarkable film by a sensitive young Frenchwoman makes the less recognized point that otherwise quite good people are in no way immune, that oppression, ignorance and the fear for survival are almost natural causes as well as results of the terror that people inflict on each other.

The writer-director is Yolande Zuckerman, a slightly freckled, tawny-haired, graceful 35-year-old. The film, her first after two prize-winning documentaries, is called "Me Ivan, You Abraham." It is about rural life in Eastern Europe, somewhere on the Russian-Polish border.

It is not about the war years, or the Holocaust, but about everyday life in the early 1930s. Ms. Zuckerman, whose parents came from eastern Poland, says she chose the period because she found it harder to get people to talk about what had been normal than about the war. "To liberate yourself, you have to go back to origins," she says.

There is no preaching; no lessons are delivered. But in the time of the worst war in Europe since 1945, a time of ethnic violence erupting in so many places where people at last have a chance for freedom, her insights are especially poignant. She is not sentimental. She shows that victims also victimize, that the vicious circle is without beginning, maybe without end.

Shot in black and white, spoken in Russian and Yiddish, which the actors had to learn for

On location, she also heard the local tradition that to see a Jew or a Gypsy on the day crops are sown is good luck and means a good harvest. "There is always inclusion and exclusion," she says, "the urge to demonize the other, always an overlap. The door is closed from the inside as well as from the outside."

Some of the actors are professionals, but Ivan is a 15-year-old Russian orphan named Sasha, who impressed her with his eagerness to act, and Abraham is a 12-year-old Gypsy named Roma, whom she found in a play, spirited boys in a world they can't understand and can't change.

Ms. Zuckerman's documentaries were made in India and South Africa, but it is not exoticism that draws her to places so different from those she knows, she said. "I look for the things we can say to each other," she says. "They are a mystery for me, but then I realized I am a mystery for them, too."

Her effort is to probe the mystery of how people deal with each other, with their hidden memories — to idealize is to kill, to bury. — to idealize is to kill, to bury. — to idealize is to kill, to bury.

The film won the grand prize at the Moscow film festival last month, and is to be shown at the New York festival this fall.

Flora Lewis

Washington's Hard, Inhuman Edge

By Edwin M. Yoder Jr.

WASHINGTON — The apparent suicide of President Bill Clinton's boyhood friend, the deputy White House counsel Vincent Foster, seems to have disconcerted this power-intoxicated city as no such personal event in years. When the news came, I happened for unrelated reasons to be reading George Otis Trevelyan's "Early Life of Charles James Fox." But it was only when Washington crinkled up its defensive reflexes in the face of the Foster case that a link between the book and the event suggested itself.

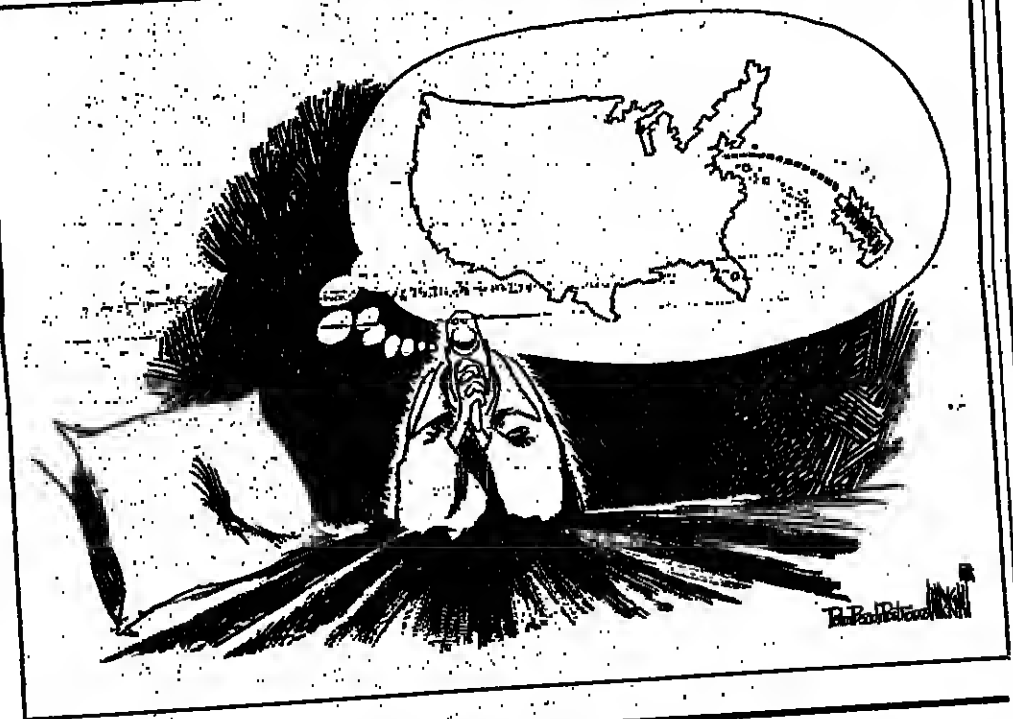
Mr. Trevelyan's book, published more than a century ago, evokes the glittering society of political London on the eve of the American Revolution — a scene in which the young Mr. Fox shone precociously as an orator and critic of the House policies that cost George III his American colonies. Those who governed England were a tight-knit, clubby, self-indulgent group. They not only legislated together, they drank together, gambled, traveled, joked, caroused and went to school together. They tolerated personal quirks that in today's pinched and puritanical climate would absorb the energies of a hundred special prosecutors.

act of despair. Could Washington be blamed? The idea was explored and for the most part dismissed, although not without a shudder. Michael Kinsley, the New Republic columnist, observed, however, that Wall Street Journal editorialists had recently made Mr. Foster the butt of insulting innuendos. They portrayed him and other alumni of Hillary Rodham Clinton's Little Rock law firm as an administration "cabal," tampering with the proper course of the law in various matters, ranging from the dismissal of William Sessions as FBI director to the overblown White House travel office findings. The Journal's editorials were presumably composed in its New York ivory tower. But their hard periphrastic edge, their surreal impersonality, as if they were written about people on Mars, exhibit the Washington style at its most heartless. Might Mr. Foster have taken these screeds too much to heart?

The defects of the brilliant 18th-century political society portrayed in Mr. Trevelyan's book are, to our sense, obvious — its class exclusiveness, its tendency (in that distinctly pre-democratic age) to plunder the public treasury for private benefit. Tolerance tended to stretch into self-indulgence. Its strengths, however, are equally obvious. If the political contrasts favor Washington today, the human contrasts seem to be on the side of Mr. Fox's age — a time as warm, as intimate, as appreciative of personal qualities, as careful of personal feelings, as Washington is imperious, bureaucratic, managerial, cold-blooded, and increasingly intimidated by savagely sanctimonious journalism. (In the age of Mr. Fox, it was a "breach of privilege" so much as to carry a sheet of paper for taking notes on speeches into the House of Commons.)

Maybe Mr. Foster would have been as depressed in Little Rock as he seems to have been in Washington. Clinical depression, the most underrated of all killer diseases, may be triggered, but so far as I know isn't "caused," by insult or adversity or hard work. Yet those of us who have covered the more leisurely, forgiving, personal — and, yes, human — politics of small Southern states like Arkansas can't help wondering. In technical proficiency, Washington is in a political league of its own. But in tolerance, warmth, personal care, and judgment (by standards other than who is powerful and who isn't) it suffers by comparison with smaller places. Maybe the trouble started when Jefferson and Hamilton struck a deal to put the capital in a wilderness, with few distractions from politics and no society other than that which is either in the business of exercising power or parasitic upon it. In this respect Washington has always been bad, and as the federal establishment swells and bloats it seems to get worse, well beyond human scale.

Washington Post Writers Group



LETTERS TO THE EDITOR

Owen Should Stay

Regarding "The West Is Capitulating and Owen Should Walk Away" (Opinion, Aug. 11) by Jim Hoagland:

While I share the author's frustration over the West's shameful inaction in Bosnia, I disagree with his suggestion that David Owen should resign as the European Community's negotiator. In accepting this appointment, Lord Owen has taken on an almost impossible and certainly thankless task. He has shown much personal courage, diplomatic skill and political imagination in trying to find a solution to a seemingly impossible situation. It is not Lord Owen who is to blame for the West's pathetic impotence, but the political leadership in Washington, Paris and London. I hope historians will recognize the West's political, military and above all moral failure in Bosnia as the ultimate denial of the so-called victory over communism.

KARL H. PAGAC, London

Not First on the List

Regarding "Demilitarize Bosnia or the Storm Will Spread South" (Opinion, July 31) by Misha Glenn:

Mr. Glenn's statement that "the resolutely pro-Serb... Sir Alfred Sherman... attributes the war in Bosnia solely to what he imagines to be the Islamic world's determination to establish a 'bridgehead in Europe' is wholly untrue, and suggests that he has never troubled to read what I have written. By my calculations, the Yugoslav Muslims and their supporters come third or fourth on the list of those responsible for the carnage. First by a long way are the Germans. Second is Franjo Tudjman, encouraged by Hans-Dietrich Genscher to overplay his hand, working toward the traditional Croatian-nationalist dream of a greater Croatia.

I am "pro-Serb" only insofar as I consider that the Serbs have been the target of governmental and media hate campaigns and distortion reminiscent of that waged by Neville Chamberlain against Czechoslovakia and in favor of Germany in the 1930s. Long-term defense of Serbian rights entails balancing and accommodating the legitimate claims of all ethnic groups and religions. I fear that U.S. policies, which unlike Germany's are not based on *raison d'etat* or national interest, will prolong and intensify violence, to the detriment of all concerned, particularly the innocent.

ALFRED SHERMAN, London

gian's résumé, but one would hope, and should demand, that our governors and their trainers at the very least see the critical need for these virtues and seek them out wherever they can be found. In this case, anyway, a great poet's advice should be heeded.

KENNETH BURNS, Hamburg

A Matter of Respect

The United States government may have blundered, offending its ally Belgium, by at first considering sending former Vice President Walter Mondale to Brussels to represent the country at the funeral of Baudouin, king of the Belgians. But the French government made an even greater gaffe by sending with its delegation — to the funeral of a king who preferred to abdicate rather than sign a law legalizing the wholesale slaughter of his unborn citizens — Simone Veil, the minister responsible for the adoption of the French abortion law.

JACQUES and NOREEN RIOLS, Marly-le-Roi, France

Outmoded and Chie?

The answer to Russell Baker's question as to why fashion is only for 13-year-olds and nuts ("A Fashion in Chic," July 30) is that the rest of us have long since chosen to let our fashion sense fall into desuetude. Perhaps desuetude itself will make a comeback in the fashion world, in which case Brooks Brothers may yet be the savior of us all.

BARRY EDGAR, Epalinges, Switzerland

Poet's Sense of Justice

Regarding "Enough of This Unnecessary Carnage in the Balkans" (Opinion, Aug. 5) by Joseph Brodsky:

Poetry is passion guided by a delicate sensibility and intelligence. When highly selective also is moral and that intelligence also is justifiable informed by sincere and justifiable wrath, then we have something representative of our all too wayward species at its best. Mr. Brodsky honors those criteria. Wisdom, powerfully felt indignation and a refined sense of justice may not rank very high in a politi-

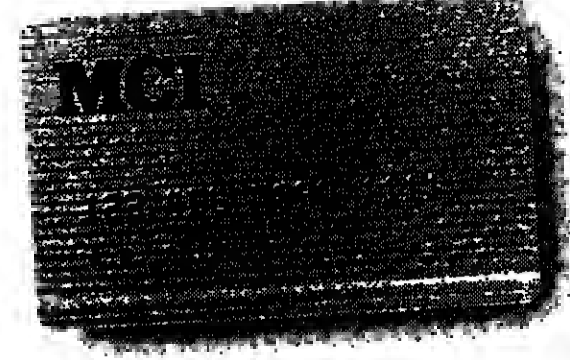
GILBERT REID, Rome

More Tokyo Aid?

The Clinton administration is directing its chief delegate to the United Nations to begin recruiting donors, "focusing on Japan and Germany," to support UN peacekeeping operations. As far as I know, we Japanese have never received an accounting from the United States for \$9 billion earmarked for the Japanese government by the Gulf War, with which we were burdened as taxpayers.

SHIGEMICHI ISHIDA, Kawasaki, Japan

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HERALD TRIBUNE

At 150, Tivoli's Fun Fest Goes On

By Alan Riding
New York Times Service

COPENHAGEN — The strange sight of prams and wheelchairs jostling for space one recent morning suddenly brought home to me why Tivoli Gardens in Copenhagen are so special.

True, Tivoli's real fame comes from being the world's oldest amusement park, this year celebrating its 150th anniversary. And during its impressive history it was the inspiration for Hans Christian Andersen's "Nightingale" and Walt Disney's first theme park. But its secret, I concluded, lies elsewhere. It is, quite simply, that Tivoli appeals to all ages.

So, there they were, prams and wheelchairs, arriving punctually as the gardens opened at 10 A.M. Soon they were joined by mothers trying to control exuberant youngsters, while old men and women strolled purposefully through the gardens.

By lunchtime, businessmen and tourists were filling the park's 28 restaurants. Then, as the afternoon advanced into evening, families, young couples and groups of friends joined the crowds. And when the park closed at midnight, there were still some babies and grannies heading for the gates.

Why not? For a park that offers its fair share of thrills and spills, Tivoli is wonderfully relaxed. It covers only about 20 acres (about 8 hectares) but its landscaping — an artificial lake, fountains, trees galore, a rose garden and stunning flower displays — creates a sense of space. At night, lit by 110,000 bulbs of many colors, it is even more welcoming.

Its amusements are also comfortably old-fashioned — mechanical rather than electronic. Bands play Strauss waltzes, and canned music is prohibited. Most important, perhaps, visitors are not bombarded by frantic pressure à la Disney to enjoy and to spend. The entrance fee to the park is just \$5.65.

It all seems very natural. Tucked between City Hall and the main railroad station, Tivoli is totally integrated into the summer life of Copenhagen.



Children aboard Tivoli's old-fashioned merry-go-round.

OPEN to the public this year from April 22 to Sept. 19, it is ever the focal point of entertainment. The park offers a rich cultural fare, including 144 concerts this season. Tourists may go out of their way to visit Tivoli. Local residents just keep coming back.

The idea, of course, is to have fun. In fact, when Georg Carstensen, a young publisher, persuaded King Christian VIII to allow him to create the Tivoli Gardens outside the city walls, he is said to have argued that "people engaged in fun do not engage in politics." And, from its opening day on Aug. 15, 1843, it was a hit.

Since then, it has had 274 million visitors, including 4.1 million last year. Nine of 10 foreign visitors to Copenhagen go to Tivoli, but 60 percent of its clients are Danes.

The history of Tivoli, including its near-destruction by Nazi sympathizers in 1943, is well told in the museum inaugurated in 1992: the park's 150th anniversary. It displays paintings, drawings and prints showing Tivoli through the years as well as old costumes, films and models of amusements.

It is interesting to see how the park has changed. Every year it likes to add or change an attraction. This year's novelty is The Flying Trunk, which is a journey through Hans Christian Andersen's fairy tales.

But Tivoli has also preserved something of the Oriental mood that, in the mid-19th century, represented the ultimate in exoticism for Europeans. And it has done so with the sort of poetic license that Walt Disney might well have endorsed.

So where to begin? The central area of the park is given over to entertainment, that is, the concert hall and the cabaret theater, which sell tickets for their programs, and the Peacock Theater and an open-air stage, which provide free entertainment. The highlight of the concert hall's season this year will be performances by the New York City Ballet, Sept. 7 to 12, but the season will also include concerts of classical music almost nightly, many by Tivoli's Symphony Orchestra.

The 25 attractions, which require moderately priced tickets, are on the periphery of the park, no doubt to keep the peace elsewhere.

The 19th century comes truly alive on weekend evenings, when the Tivoli Boys' Guard marches to its own music around the park.

Many Danes, though, come to Tivoli simply to eat. The park's most famous and most popular hangout is Groften, which specializes in tiny fjord shrimps and offers a good selection of steaks. With Danish beer, lunch or dinner costs less than \$40 a head. But the choice of eating places is truly vast. Tivoli's two top restaurants, Divan 1 and Divan 2, are housed in separate buildings that date from the mid-19th century. Both are ambitious French-style restaurants where dinner for

two including imported wine costs about \$150. The good ship St. George III, which is modeled after an 18th-century frigate and anchored in the lake, concentrates on fish and seafood. Dinner for two runs about \$100. Reservations are recommended for all those restaurants.

There are inexpensive choices, too. One unusual place is Socafca, a lakeside café that provides drinks for visitors who bring their own food (it charges 48 cents for cutlery).

THE only restaurant that looks remotely Danish is the Faergetroen, which sits beside the lake and specializes in Danish dishes. It has a terrace and a sing-along pianist in the evenings. And for beer and jazz after dinner, the Jazzhus Skulpter, is a favorite.

There is, then, something for everyone in Tivoli. During weekend afternoons and every evening, free shows are put on by musicians, trapeze artists, conjurers and comedians on the open-air stage. Music is also performed by Tivoli's three bands in different corners of the park. And at 11:45 P.M. on Wednesdays, Fridays and Saturdays throughout the summer, a fireworks display lights up the sky over the park as a way of ending the day.



The Apennine spa town of Bagno di Romagna, one of Emilio Romagna's best-kept secrets.

Taking the Waters, Italian Style

By Kate Singleton

BAGNO DI ROMAGNA, Italy — Around this time of year Italian newspapers run articles about where the right people spend their vacations, where you should be seen and whom you're likely to find there. The tiny spa town of Bagno di Romagna, perched up in the Apennines halfway between Florence and the Adriatic coast, has certainly never featured in such society decalogues. And unlike illustrious watering places such as Merano, Montecatini, Abano Terme or Bagno di Lucca, in the past it was never an attraction for the crowned heads of Europe, their courtiers and courtesans.

Yet Bagno di Romagna can boast not only healing springs and delightfully temperate summer weather, but also a number of quietly patrician palazzi, an innate sense of quality in its cuisine and hospitality, and some of the loveliest unspoiled wooded countryside in central Italy. No wonder ordinary Italians, the ones you never hear or read about, do little to publicize it beyond their own Emilia Romagna region. For them Bagno di Romagna is a little dream world whose caretaker enjoyment for several weeks a year sets them in good stead for the remaining months of hard work, fiscal vexation and family obligations.

The otherworldliness of life in Bagno di Romagna is visible from the early hours of the morning, when the narrow streets are intermittently filled with hooded and cloaked characters shod with sandals. Far from being monks heading for their devotions, these are last night's revelers wrapped in the uniform

heavy woolen bathrobes that are supplied to those who stay in one of the smaller hotels and go out to the Sant' Agnese establishment to wallow in scalding mud, swelter in steamy grottos, simmer in mineral-enriched hot spring waters and subject the appropriate portions of their anatomies to expert massage.

The Sant' Agnese complex also includes a pleasant, well-appointed hotel of its own, whose white-cotton-clad inmates merely descend to the spotless but torrid depths to enjoy the cures at source, as it were. Moreover, there are two other large hotels that also offer first-class treatment in loco. However, smaller hotels such as the Balneum, just three minutes down the street, are better able to purvey the ideal mixture of adequate comfort, friendliness, excellent *cucina casalinga* and discretion.

This latter ingredient is essential to the lasting success of the cure. For Italians tend to take the waters without their respective spouses. Originally this was because the Italian state health system's preventive medicine program offered those with potential aches and pains a two-week cure in whichever spa had a vacancy, regardless of family ties. Now that the health system is on its knees and people are going privately, such habits are certainly not being relinquished.

"I haven't lost a day's work for years," said 52-year-old Aldo, who makes spiral staircases 60 miles (100 kilometers) north of Bagno di Romagna. "and I don't get back-aches any more like I used to either. Of course it's the mud, and the hot springs. But it's also the fresh air, if you know what I mean." Aldo's meaning soon grows clearer: "It's not that I come here looking for romantic en-

counters, but I wouldn't turn them down if I found them. It's more the feeling of not having any ties or responsibilities. I go back home refreshed and my wife is happy and we both agree to ask no questions."

The hot mud and spring-water treatment is actually so exhausting that there's not much energy left for "romantic encounters." Spa-goers find that they spend a lot of time resting.

AFTER due respite, the *curandi* usually venture out to visit the quiet abbeys and hermitages tucked up among the hills (most of them brew their own strog liqueurs, so piety is out the prime motive), or take a trip to the little Renaissance town of Anghiari or to the nearby Republic of San Marino. Others of more hucolic tastes fish in one of the local lakes, or head for the woods to look for edible and much-prized wild mushrooms. Porcini, or cèpes, are the greatest find, and can be cooked to perfection by the obliging hotel cook.

The *romagnoli*, the inhabitants of this part of Italy, are indeed extraordinarily obliging. They confirm that there's truth in the cliché about Italians knowing how to enjoy themselves. This is nowhere more evident than at their evening gatherings, where two hours played on an accordion will get them up in pairs and dancing with consummate skill and grace. And this is how the day often comes to a close. Or is it? Aldo can be seen fox-trotting away with a roundly decorative signora whose dining-room table just happens to be hut ooo removed from his own.

Kate Singleton lives in Italy and writes frequently on cultural affairs.

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time. If a particular Patek Philippe movement requires four years of continuous perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.



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THE ARTS GUIDE

AUSTRIA

Vienna
Palais Liechtenstein (tel. 782.550). To Sept. 12: "Centrozonen." More than 100 contemporary paintings, sculptures, photographic works, videos and objects acquired by the museum since 1990.

BELGIUM

Antwerp
Bouwcentrum Exhibition Centre (tel. 257.23.00). To Aug. 31: "The Fantastic Dream: Antwerp and the Panoramic Dream: 1885-1990." World Exhibitions 1885-1990. Features original objects, works of art, plans and films that bring back to life the atmosphere of these exhibitions, which were showcases for the new industrial Belgian society.

BRITAIN

Edinburgh
Playhouse Theatre (tel. 225.57.50). The Edinburgh International Festival will include performances of Bela Bartok's "Bluebeard's Castle" and Schoenberg's "Erwartung" (Aug. 28, 29), in a production by the Canadian Opera Company and Verdi's "Falstaff" (Sept. 2, 4) in a production by the Welsh National Opera.

London
Barbican Centre (tel. 638.41.41). To Aug. 28: "Forever Ealing." A series of films dedicated to the achievements of the Ealing Studio, with such memorable movies as "The Lavender Hill Mob," "The Men in the White Suit," "The Ladykillers" and "Hue and Cry." Elizabeth Hall (tel. 928.88.00). Aug. 23: "The Pilgrims of Santiago." Twenty-one pieces of medieval music tell of the pilgrims and their adventures on the way to Santiago de Compostela in Spain.

DENMARK

Helsingør
Louisiana Museum of Modern Art (tel. 42.19.07.19). To Aug. 29: "Georg Baselitz: 1930-1990." Features paintings, sculptures, drawings and graphic works by this German artist, one of the key figures of new German expressionism.

FRANCE

Jour-en-Jour
Madison Carter (tel. 39 56 46 45). To Sept. 12: "Azur." A thematic exhibition on azure, as a symbol of heaven or utopia. Paintings include a monochrome painting by Motherwell, a large blue canvas by Warhol, a blue sky with white clouds by Magritte, as well as paintings by Ballo, Karch and Spillart, among others.



Drawing by Félix Lortoux in Washington.

Paris
Bibliothèque Nationale (tel. 47.03.81.26). To Sept. 15: "De Picasso à Pissarro: L'œuvre en Cours." More than 200 works by painters and engravers between 1870 and 1918, including Mary Cassatt, Jacques Villon.

GERMANY

Bayreuth
Richard Wagner Festspielhaus (tel. 20221). To Aug. 28: Performances of Wagner's "Tristan und Isolde" (Aug. 17, 28); "Tannhäuser" (Aug. 18, 23); "Der Fliegende Holländer" (Aug. 18, 21, 27); "Lohengrin" (Aug. 20, 26) and "Parsifal" (Aug. 24).

Berlin
Museum of Modern Art (tel. 258 62 833). To Oct. 17: "Stones for Elmer." Contemporary painter Alexander Dietmer portrays the old Jewish cemetery in Schonhauser Allee in eastern Berlin.

JAPAN

Hiroshi
Himeji City Museum of Art (tel. 792.22.2268). To Aug. 29: "The Attraction of Paul Klee." Features lithographs, oil paintings and watercolors by the Belgian Surrealist, as well as works by James Ensor or René Magritte.

MONTE CARLO

Terrace of the Casino (tel. 92.16.22.92). Aug. 13-21: "Les Nuits de la Danse." A series of ballet performances with choreographies by Balanchine, Nijinsky, Michel Fokine, Jean-Christophe Maillot and Karole Armitage.

SPAIN

Valencia
Centre Julio Gonzalez (tel. 985.3000). To Aug. 29: "Martel Rayssa." Some 125 paintings, sculptures and objects realized between 1959 and 1991 by the French Neoclassicist artist.

UNITED STATES

Houston
Museum of Fine Arts (tel. 699.73.00). To Aug. 29: "The World of Frida Kahlo." 70 works by the Mexican wife of painter Diego Rivera, as well as examples of pre-Columbian sculpture and Mexican folk art, central to Kahlo's work.

Washington
Morton Simon Museum of Art (tel. 449.6840). To Sept. 26: "The Lure of the Water: Impressionism at the Seashore." An exhibition celebrating the ocean and beach scenes of Claude Monet, Berthe Morisot, Eugene Boudin, Gustave Caillebotte and others.

Washington
Corcoran Gallery of Art (tel. 638.3211). To Aug. 22: "Fable and Fantasy: The Art of Félix Lortoux." Drawings and watercolors by the French children's book illustrator spanning the artist's 70-year career.

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BUSINESS

International Herald Tribune, Friday, August 13, 1993

France Will Need High Rates to Boost Reserves

Compiled by Our Staff From Dispatches

PARIS — Intervention in the currency markets last month cost France a huge amount of foreign-exchange reserves, and despite a weak economy the Bank of France will have to maintain high interest rates to replenish its coffers, analysts said Thursday.

Calculations based on figures released by the Bank of France on Thursday showed its official foreign reserves probably fell by 189 billion francs (\$31.37 billion) in the week ended Aug. 5.

Analysts said most of that was probably spent July 30, when European central banks were striving to hold up the value of currencies—particularly the franc—that investors had become convinced were going to be devalued against the Deutsche mark.

EC finance ministers meeting in Brussels last weekend saved face by widening the fluctuation bands of the franc and other currencies in the exchange-rate mechanism to 15 percent from 2.25 percent. That allowed the currencies in float downward against the mark last week without formally being devalued.

The franc is now about 2.5 percent lower against the mark than it was July 30. It closed at 3.5091 to the mark in Paris on Thursday.

That means the actual losses sustained by the Bank of France as a result of the intervention are likely to be around 10 billion francs.

Prime Minister Edouard Balladur, in a televised talk Thursday night, gave no indication of any change in interest-rate policy.

When asked whether he would reduce interest rates, he said, "What counts above all is the fight against inflation and the budget deficit in order to ensure growth and monetary stability."

The depletion of the reserves shows why French monetary authorities are being cautious about lowering interest rates, analysts say, even though the economy is listless and unemployment is moving toward 12 percent.

The central bank has to rebuild up its reserves, they say, and needs high interest rates to do so, because the French franc has not fallen sharply against other currencies.

A sharp devaluation normally leads to the repurchase of a currency by speculators who had sold it at higher prices a few days earlier. This allows the central bank to reconstitute its reserves quickly. But with the franc having lost relatively little value against the mark so far, the speculators are not flocking back to it.

The data released Thursday indicate France spent a total of about 331 billion francs during July to prop up its currency.

That is about twice the amount of intervention that was needed to save the franc during each of its two previous crises in the past year and more than twice what analysts estimate that the Bank of England spent in September 1992 before sterling left Europe's exchange-rate mechanism.

Technically, the Bank of France now must have "negative reserves," as it only held about 155 billion francs of reserves in early July. However, it would have borrowed heavily from other central banks, notably from the Bundesbank. (Reuters, AP, AFX)

For U.S., an Interest-Rate Riddle

By Lawrence Malkin
International Herald Tribune

NEW YORK — With long-term interest rates hitting record lows in the United States on Thursday, economists, bond salesmen, and the investing public are wondering how long the drive can last and how much cheaper money can supply to a slow-growth economy.

They may be asking the question the wrong way around. Interest rates, analysts say, are determined by the real world — economic growth and inflation, which seem to be heading toward a sweet spot for investors that should bring stable financial returns, although not the economic takeoff.

"It is the weakness of the economy that represents more of the cause of lower interest rates, not the other way around," said David Wynn of DRI/McGraw Hill.

For the administration, low rates offer some insurance against economic collapse now that Congress has approved its plans to start reining in the growth of the budget deficit, which will start by seeking about \$50 billion out of the economy in 1994.

But Laura D'Andrea Tyson, the chief White House economist, estimates that lower rates could offset that drag by saving from \$50 to \$100 billion for borrowers on mortgages, car loans and corporate bonds next year. Of course, it was the prospect of less government borrowing to finance a decreasing deficit that helped bring down rates in the first place.

All this was forcefully demonstrated in the credit markets this week at the quarterly auctions of Treasury bonds. On Wednesday, the government sold \$11 billion worth of 10-year Treasury notes to buyers both willing and eager to accept a coupon of 5.78 percent, the lowest since auctions of 10-year notes began in 1976. There were more than three bids for every one accepted.

On Thursday, the tone of the market indicated rates may have hit their lows for the time being. The Treasury sold \$11 billion worth of 30-year bonds at an average yield of 6.33 percent, the cheapest interest rate it has been able to get away with since it resumed issuing the 30-year maturity in 1977 and an average one-day decline in market rates of almost 0.10 percent. The benchmark issue declined 5/32 point, to yield 6.43 percent.

But despite the fact that the Treasury has decided to cut its interest burden by auctioning inflation psychology out of the bond market even if it still is a trifle skittish.

The gold market, a haven for those worried about inflation, dropped sharply last week as the Clinton budget passed Congress, and prices dropped again Thursday by about \$8 an ounce. On Wall Street, the Dow Jones industrial average fell steeply as investors awoke in the prospect of lower returns on blue chip stocks in a sluggish, low-profit economy.

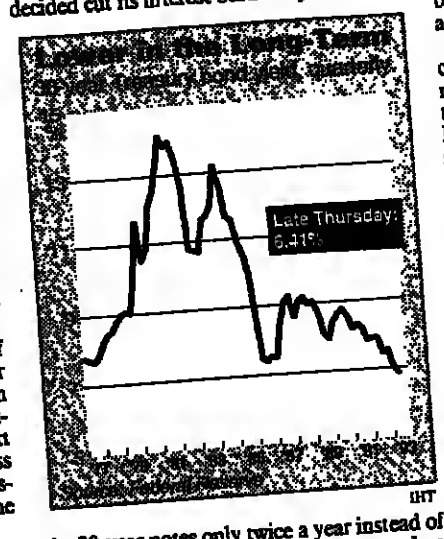
Thursday's bond auction was also helped by an unexpected combination of statistical announcements.

Wholesale prices actually dropped 0.2 percent last month, the second successive monthly decline and the first since 1991 that they declined for two months in a row. Retail sales rose only 0.1 percent after similar slow rises for four months. New claims for unemployment benefits, meanwhile, stood at 332,000 during the week ending Aug. 7, virtually unchanged from the previous week, implying a static job market.

The figures pointed to a lid on inflation because companies find it difficult in an economy where jobs are tight and consumers are wary.

Economists now are looking at long-term rates on the 30-year bellwether bond in detail to about 6.25 percent or perhaps as low as 6 percent as inflation gives way to disinflation. Henry Kaufman, the Wall Street guru, who heads his own money-management firm, said that the most low rates can do would be to reduce borrowing costs for businesses and families.

"This is somewhat of a tax cut and helps help in place the formal conditions that will help the U.S. economy recover. But we are not in a normal cyclical recovery. It will take a long time to work off debt and many



The 30-year notes only twice a year instead of quarterly, there were only slightly more than two bids for every bond sold — a ratio of 2.13 instead of the 2.5 that has been the average in recent auctions.

Nevertheless, contrast this with 1980, when the U.S. government had to pay 13 to 14 percent to borrow money from an inflation-scarred public. It has taken that long to bring

See RATES, Page 12

Inflation Dangers Subside Further in U.S.

The Associated Press

WASHINGTON — Falling energy costs helped push prices paid to producers such as farms and factories down by 0.2 percent in July, following a 0.3 percent decline in June, the government said Thursday.

They were the first back-to-back decreases in the Labor Department's Producer Price Index in two years and represented one of the few benefits from the economy's lackluster growth.

"Inflation in the industrial sector is a nonissue," said Robert

Dederick, an economist with Northern Trust Co. "It's an economy that just can't generate any inflation at present."

The bond market rallied on the news, and mortgage rates, which track bond rates, also were expected to fall.

In a separate report, the Commerce Department said retail sales edged up just 0.1 percent to a seasonally adjusted \$172.3 billion in July, restrained by a decline in automobile purchases.

Also, the Labor Department said first-time claims for un-

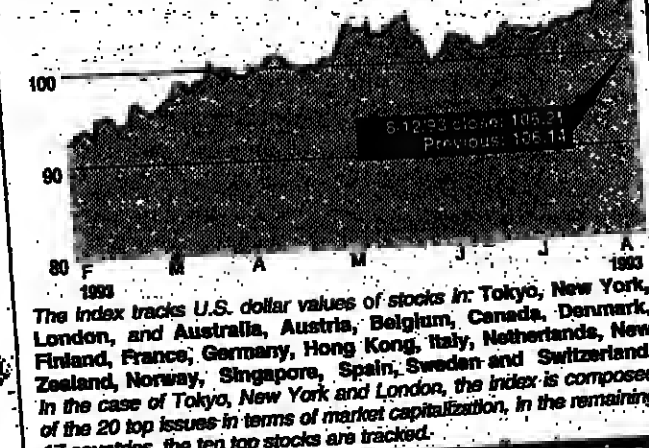
employment benefits fell by a slight 3,000 to a seasonally adjusted 332,000 last week, indicating essentially unchanged conditions in the job market.

From January through April, producer prices soared at an annual rate of 4.7 percent. They were unchanged in May and now, with declines in the latest two months, the annualized wholesale inflation rate for the year so far is 1.8 percent, little changed from 1.6 percent of all last year.

In July, energy costs plummeted 1 percent, the third drop in a

THE TRIB INDEX: 106.21

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



Region	Approx. weighting	Close	Prev.	% Change
Asia/Pacific	25%	130.52	130.85	-0.25
Europe	47%	100.07	99.26	+0.81
N. America	28%	91.25	91.82	-0.61

Industrial Sectors	This Week	Last Week	% Change
Energy	103.97	103.47	+0.48
Utilities	115.06	114.01	+0.92
Finance	120.14	119.75	+0.33
Services	114.44	115.08	-0.56
Capital Goods	104.38	103.45	+0.91
Raw Materials	84.42	84.71	-0.34
Consumer Goods	105.43	105.94	-0.48
Miscellaneous	102.24	102.17	-0.13

WALL STREET WATCH

All the Signs Were There In Free Fall by Mondavi

By Kurt Eichenwald
New York Times Service

NEW YORK — When a premier Wall Street investment bank brings a public offering to market, elbows start flying as investors scramble to scoop up shares. A top firm's reputation alone can help push up a stock price. But not always.

Investors in the initial public offering in June of Robert Mondavi Corp., the California winemaker, are not popping corks these days. The offering's poor performance is all the more embarrassing because it was brought public by one of the bluest of Wall Street blue chips: Goldman, Sachs & Co.

Mondavi's 3.7 million shares were priced at \$13.50 each by Goldman. On the first trade on June 10, the stock sold at \$14.25.

But since then, the share price has been in free fall, losing 40 percent of its value in less than two months.

What made Robert Mondavi stumble so badly? With all the warning signs, a better question might be: Who thought it would not?

In the offering, the Mondavi family sold a million class A shares at \$13.50, which represented about 90 percent of the class. The holdings of Mr. Mondavi, 80, and his children. Even with the multimillion-dollar take, the family retained virtually all their class B shares. This allows them to name 75 percent of the directors.

"It appears that they consider this an opportunity to cash in," said David Coleman, editor of *Week's Weekly Insider Report*.

Anyone reading the company's prospectus might have had good reason to feel bearish. While Mondavi earned 23 cents a share for the financial year that ended on June 30, compared with 69 cents in 1992, profits slipped in the fourth quarter. Although revenues inched up, the company reported quarterly earnings per share of 29 cents, compared with 34 cents, and said that the current quarter could be weaker than usual.

More significant was the discovery of phylloxera, a pest that feeds on the roots of grapevines. In 1983, the prospectus said, Mondavi found phylloxera in Napa Valley.

The decrease in projected cash flow from an infested vineyard company's 937 acres in California, which in turn results in increased depreciation for the company, which in turn increases the cost of goods sold. In other words, beyond the cost of dealing with the problem, phylloxera will weigh down Robert Mondavi's bottom line for years.

So folks looking for appreciation from Robert Mondavi might try a direct investment: Forget the stock. Buy the wine.

New Guinea Reaches for RTZ Mine

Compiled by Our Staff From Dispatches

LONDON — RTZ Corp. faces a battle with the government of Papua New Guinea over one of the world's richest gold deposits.

The battle centers on Lihir, an island in the Bismarck archipelago in the southwest Pacific that has estimated reserves of 13.7 million ounces of gold. The reserves would be worth around \$5 billion at market prices, but RTZ says the deposit could prove difficult to mine.

On Thursday, Papua New Guinea, accusing RTZ's Kennecott Corp. of stalling Lihir's development, said it would take a 50 percent stake with the aim of selling off 20 percent to speed up the work.

RTZ officials expressed surprise, noting that they had been talking with the government about selling it a 30 percent stake. RTZ now owns 80 percent. Nippon Mining Ltd., 80 percent, in turn is 56 percent-owned by Bannockburn Gold Co. of the United States, owns the rest.

Because RTZ's investment at this stage of exploration is small, the company "could easily walk away from the deal," said John Suter, a mining analyst at Smith New Court. Analysts estimate that RTZ and Nippon Mining have spent between \$150 million and \$200 million exploring the Lihir project.

The mine is in an old volcano, surrounded by water with a temperature near the boiling point.

(Bloomberg, Reuters)

Canada Stalls Trade Accords

United Press International

OTTAWA — Canadian trade officials said Thursday that further talks on side accords for the North American Free Trade Agreement remained on hold following Prime Minister Kim Campbell's dissatisfaction with the proposals.

A spokesman said no talks were scheduled following Mrs. Campbell's decision Wednesday at a Cabinet briefing to oppose one of the deals already on the table.

The prime minister's last-minute decision occurred as Tom Hoekstra, the Canadian international trade minister; Mickey Kantor, the U.S. trade representative; and Mexico's commerce secretary, Jaime Serra Puche, reportedly were prepared to gather in Ottawa to lock up the side agreements.

Ottawa sources said Canada's influential Business Council on National Issues and the Chamber of Commerce opposed the deal that the three nations had apparently settled on. The proposal reportedly called for establishing panels authorized to impose trade

sanctions if any nation violates NAFTA's labor or environmental standards.

NAFTA, which aims to eliminate trade barriers among the three nations, needs approval from all three to become law. U.S. Senate ratification remains questionable.

Earlier this year, the three nations began negotiating side agreements to address such concerns. One official told the Toronto Star on Thursday that Mrs. Campbell "is not satisfied that Canada would not ultimately be exposed to trade sanctions" under the recent side accord.

The impasse stirred speculation among lobbyists that the United States and Mexico might conclude an agreement, leaving Canada out of NAFTA.

Before Mrs. Campbell's move, two issues reportedly faced the negotiators.

The United States and Mexico have tried to persuade Canada to accept some formula for penalties on companies or governments that participate in labor or environmental abuses for the sake of commercial advantage.

Yen Hits a Record Despite Bank Sales

Compiled by Our Staff From Dispatches

The yen hit a record high against the dollar Thursday despite Bank of Japan intervention to hold its currency in check, and the government in Tokyo indicated it would seek assistance from its trade partners to stem the slide.

The dollar, after touching a low of 103.200 yen in Tokyo trading, continued to edge lower to close in New York at 103 yen, compared with 103.625 yen a day earlier.

Prime Minister Morihiro Hosokawa said in Tokyo that coordinated intervention would be required if the yen's rise became "too severe." Asked about the yen's gains in Tokyo on Thursday, Mr. Hosokawa said the situation was "serious."

Some dealers said the Bank of Japan had bought dollars in morning trading to try to shore up the currency.

Meanwhile, a high-ranking Japanese Finance Ministry official was quoted as saying the Group of Seven industrialized countries should take concerted action to stabilize currencies.

The official, who was not identified, was quoted by Kyodo News Service as saying that the recent yen-dollar fluctuations were "highly undesirable."

The G-7 — the United States, Japan, Germany, Britain, France, Italy and Canada — should act to stabilize currencies, the official said.

But on Thursday in the markets, "nothing could stop the dollar-selling," said Jun Kato of Nippon Credit Bank.

Tokyo dealers said they believed they detected dollar-buying intervention by the Bank of Japan on at least five occasions but virtually ignored it.

London traders said that after Wednesday's news of another surge in Japan's foreign-trade surplus, the market no longer thinks the United States and Japan will quickly reach a trade accord.

Some said there was suspicion

Ferruzzi Shares Plunge, Drawing Speculators

Compiled by Our Staff From Dispatches

MILAN — The formerly blue-chip shares of the Ferruzzi Group plunged into penny-stock territory Thursday, as investors worried about its financial problems shaved off the stock's value. But speculative buying cut the losses to around one-third by the end of trading.

Ferruzzi Finanziaria SpA, which had been suspended two days earlier pending the announcement of a massive capital write-down and far wider losses than had previously been reported, began trading at 101.1 lire (6.3 cents), down 5.8 percent. So heavy was the selling

pressure that traders took more than 90 minutes to reach a first official price.

But the steep fall attracted speculative buying, which boosted the shares to 272.80 lire at the close, down 35 percent from 419.10 on Monday, its last previous close.

Ferruzzi's heavy losses, enormous debts and alleged involvement in Italy's grand scandal led traders to dump the stock. Some bankers are becoming increasingly concerned about the fate of 28 loans to Ferruzzi, whose debt of 28 trillion lire (\$17.3 billion) almost equals the foreign debt of Peru.

"It is a spectacular fall but not nearly enough," said Massimo Gaddoni, analyst at the brokers Intergrati & Micali brokerage. "At present, Ferruzzi is worth nearly nothing."

Shares in Montedison SpA, the main Ferruzzi operating company which had also been suspended since Tuesday, plunged nearly 20 percent at first but were supported by news of a 33 percent rise in operating profit in the first half of the year. They closed 7.7 percent lower, at 710.2 lire.

"Montedison has assets: chemicals plants, factories and the like. If you buy Montedison, you're buying a piece of those," said a trader in Milan.

TWA Leads Big Names Back Into Competition

Compiled by Our Staff From Dispatches

NEW YORK — Business is looking better for big-name U.S. airlines, even those that were supposed to survive.

Trans World Airlines on Wednesday won a bankruptcy court's approval to complete a bailout by employees and creditors, following Continental's exit from court protection in April. America West, the only major airline left in bankruptcy, earned a profit in the first half.

There have been a lot of nay-sayers, but we didn't really have any doubt," said William R. Howard, TWA's chairman. An important feature was a pledge that TWA would have a cash cushion of \$200 million.

Meanwhile, in Minneapolis, Northwest Airlines said it would match the TWA three-day fare sale through Saturday in competitive markets, but other carriers so far are holding back. TWA is offering free companion tickets for travel within the United States from Sept. 15 to Jan. 31 and for travel to Europe from Nov. 1 to March 31.

TWA unions exchanged \$660 million in concessions over three years for a 45 percent stake. The rest will be owned by creditors.

Employees at Northwest also traded concessions for an equity stake. And the unions at United Airlines have suggested that they, too, might be willing to make concessions in exchange for a stake.

Such moves are regarded as major elements of the effort by airlines to reduce their operating costs and adopt a competitive stance against low-cost carriers like Southwest Airlines.

(NYT, AP, Bloomberg)

CURRENCY & INTEREST RATES

Aug. 12

Green Rates		Eurocurrency Deposits		Key Money Rates	
Country	Rate	Term	Rate	Instrument	Rate
Australia	5.25	3-month	3.25	3-month Treasury bill	4.40
Canada	7.00	3-month	3.25	6-month Treasury bill	4.40
France	6.00	3-month	3.25	9-month Treasury bill	4.40
Germany	6.00	3-month	3.25	1-year Treasury bill	4.40
Italy	10.00	3-month	3.25	3-month Eurodollar	4.40
Japan	5.25	3-month	3.25	6-month Eurodollar	4.40
UK	8.00	3-month	3.25	9-month Eurodollar	4.40
US	6.00	3-month	3.25	1-year Eurodollar	4.40

TWA Leads Big Names Back Into Competition

Northwest Airlines said it would match the TWA three-day fare sale through Saturday in competitive markets, but other carriers so far are holding back. TWA is offering free companion tickets for travel within the United States from Sept. 15 to Jan. 31 and for travel to Europe from Nov. 1 to March 31.

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(NYT, AP, Bloomberg)

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Tel (44 71) 352 6565 - Fax (44 71) 352 6515

WORLD STOCK MARKETS

RATES: A Credit Conundrum

Continued from Page 11
Mr. Kaufman noted the startling disclosure that a record number of those refinancing their houses are choosing to move from 30-year to 15-year mortgages, which means the money they save will go into paying off their debts rather than...

Stock Prices Fall

Stock prices fell Thursday on the New York Stock Exchange amid new concern about the U.S. economic recovery. Bloomberg reported from New York. The concern stemmed from government reports showing producer prices fell last month and retail sales barely rose...

YEN: A Record, Despite Bank Sales

Continued from Page 11
that Washington was deliberately pushing the yen higher to make Japanese products more expensive and reduce the U.S. trade deficit with Tokyo...

Foreign Exchange

Immediately on any rallies," said Mizuhiko Hashimoto, customer dealer at Credit Commercial de France.
"The dollar rallied from time to time, but its recovery was too small to say that the intervention was effective," a trust bank manager said.

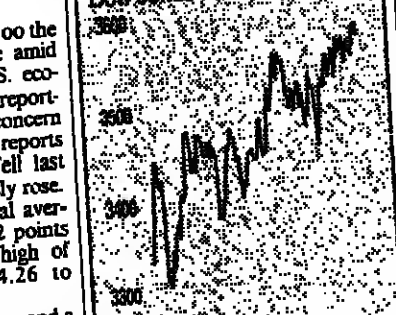
Europe Car Sales Fell in July

PARIS — New-car sales in 17 European countries fell 20.6 percent in July, to 905,601, compared to the same month last year, according to figures released Thursday by French industry sources.
Cumulative figures showed a drop of 17.8 percent in sales to 6.98 million compared with the first seven months of 1992.

WORLD STOCK MARKETS

Table of world stock market indices including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, and Montreal.

The Dow



NYSE Most Actives

Table listing the most active stocks on the NYSE, including IBM, Microsoft, and Intel.

NYSE Diary

Table showing NYSE trading volume, advanced/declined/unchanged shares, and new highs/lows.

Amex Diary

Table showing Amex trading volume, advanced/declined/unchanged shares, and new highs/lows.

NASDAQ Diary

Table showing NASDAQ trading volume, advanced/declined/unchanged shares, and new highs/lows.

Dow Jones Averages

Table of Dow Jones averages for Industrial, Transportation, Chemical, and Utilities.

Standard & Poor's Index

Table of Standard & Poor's index for Industrials, Financials, and Utilities.

NYSE Indexes

Table of NYSE indexes for Composite, Financial, and Industrial.

MASDAQ Indexes

Table of NASDAQ indexes for Composite, Financial, and Industrial.

AMEX Stock Index

Table of AMEX stock index for Composite, Financial, and Industrial.

Dow Jones Bond Averages

Table of Dow Jones bond averages for 20 Bonds, 10 Year, and 30 Year.

Market Sales

Table of market sales for NYSE, Amex, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table of N.Y.S.E. odd-lot trading for various months.

S&P 100 Index Options

Table of S&P 100 index options for various months.

EUROPEAN FUTURES

Table of European futures for Food, Metals, and Financial.

Stock Indexes

Table of stock indexes for FTSE 100, Nikkei, and Hang Seng.

Spot Commodities

Table of spot commodities for Wheat, Corn, and Soybeans.

Dividends

Table of dividends for various companies.

Industrials

Table of industrial stocks including Boeing and General Electric.

Metals

Table of metal stocks including Alcoa and Inco.

Financial

Table of financial stocks including Citicorp and JPMorgan.

Livestock

Table of livestock prices for Cattle and Hogs.

Food

Table of food prices for Wheat, Corn, and Soybeans.

U.S. FUTURES

Table of U.S. futures for Grains, Soybeans, and Oil.

Metals

Table of metal futures for Copper, Gold, and Silver.

Financial

Table of financial futures for Treasury Bonds and T-Bills.

Livestock

Table of livestock futures for Cattle and Hogs.

Food

Table of food futures for Wheat, Corn, and Soybeans.

Turner Is Said to Buy Castle Rock

ATLANTA (Reuters) — Turner Broadcasting System Inc. refused to discuss a report in the Thursday issue of the trade publication Variety that it had agreed to buy Castle Rock Entertainment, the producer of such recent movie hits as "In the Line of Fire" and "A Few Good Men."

Comer Denies Patent Infringement

SAN JOSE, California (Bloomberg) — Conner Peripherals Inc. denied Thursday that it had infringed nine disk-drive patents held by International Business Machines Corp., as alleged by IBM in a lawsuit filed Wednesday.

Gap's Profit Off 24% in 2d Quarter

SAN FRANCISCO (UPI) — The Gap Inc., the specialty retailer, reported Thursday that its net income in the second quarter had tumbled 24 percent, to \$28.6 million, as a result of a "difficult" retailing environment. Sales rose 13 percent in the quarter, to \$693 million.

Dow Jones to Launch Video Service

NEW YORK (Reuters) — Dow Jones & Co. said Thursday it would launch a video service with business news next month that would be delivered to customers' desktop computer terminals.

Intel to Ease Access for Apple Users

SANTA CLARA, California (Bloomberg) — Intel Corp. said Thursday that it expected to provide users of Apple Computer Inc.'s Macintosh to switch to Intel's computing architecture in the "foreseeable future."

MGM to Settle With Ladd on Contract

LOS ANGELES (AP) — Metro-Goldwyn-Mayer Inc., the studio that two weeks ago ousted Alan Ladd Jr. as its chairman, announced an amicable agreement Thursday to buy out his contract.

Large table of U.S. futures and commodity prices including Grains, Soybeans, Oil, Metals, Financial, Livestock, and Commodity Indexes.

Rexrodt Pushes for Sell-Offs

Compiled by Our Staff From Dispatches
CONN — Economics Minister Rexrodt said Thursday that any planned sweeping privatization program to boost industrial competitiveness and urged states municipalities to follow suit. He said he was prepared to introduce legislation that would obligate states to privatize their assets. He also said he was ready to put pressure on the federal government to speed up the privatization process. Rexrodt complained that the federal government's efforts to reduce the debt in industry, some of the 16 states were actually buying their shareholdings in the banks they control. He said the federal government to sell holdings in the telecommunications, housing, road sectors as well as in air-ports and federal forests. He said the greatest potential for privatization was in the telecommunications, housing, road sectors as well as in air-ports and federal forests. He said the greatest potential for privatization was in the telecommunications, housing, road sectors as well as in air-ports and federal forests. He said the greatest potential for privatization was in the telecommunications, housing, road sectors as well as in air-ports and federal forests.

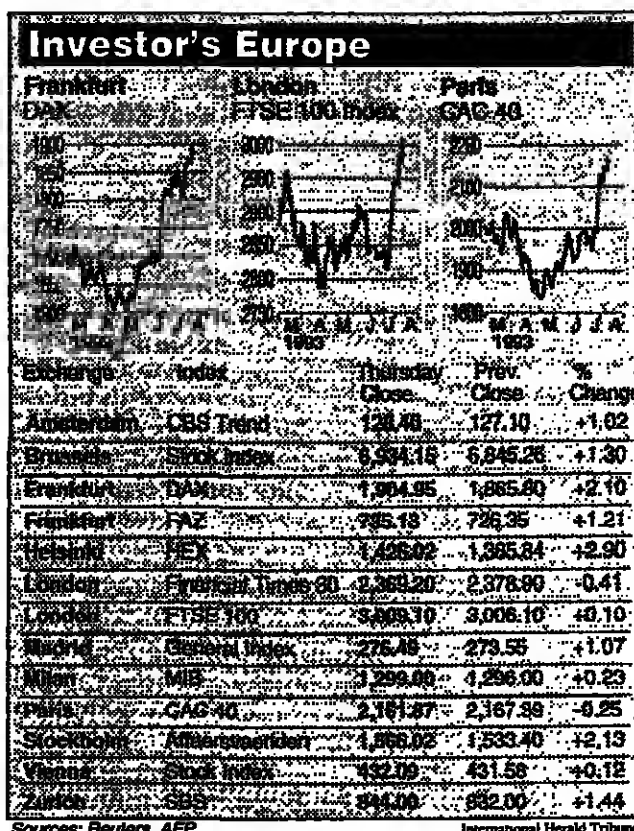
U.K. Jobless Rate Unmoved Drop in Factory Output Causes Concern

Compiled by Our Staff From Dispatches
LONDON — British unemployment again held steady last month, with the jobless rate registering 10.4 percent for the third month in a row, the government reported Thursday. The seasonally adjusted number of jobless people was estimated to have risen by a scant 200, after showing a drop of 4,800 in June, the Department of Employment said. It was the first increase in the number since January. The total of 2.91 million Britons out of work was up from 2.76 million in July 1992. Average wage increases fell to 3.5 percent in the year ended in June, from 3.75 percent in the year to May, suggesting wage pressures remain subdued. Other economic data released Thursday showed that manufacturing output had fallen 2.1 percent in June, far more than economists had expected, more than reversing a 1.5 percent rise in May. Although output is still on a rising trend, and the past two months' figures have been distorted somewhat by the late timing of a bank holiday in May, the figures caused concern.

"The figures show manufacturing output is very weak," said Ian Shepherdson, an economist at Midland Global Markets. "The fall in June more than offsets the rise in May. Even allowing for the seasonal quirk, these numbers are dire." Within the jobless figures, on the other hand, manufacturing employment rose 16,000 in June, the largest monthly gain in six years. Despite the minuscule rise in the unemployment total, economists said, it still seemed likely that the total would decline slightly this year and next. But they said the current slow recovery in the economy would create few jobs. The job figures provided ammunition for critics of the government, who say more action is needed to create employment. The employment spokesman for the opposition Labor Party, Frank Dobson, said the figures were "terribly depressing," adding, "There are over 1 million people who have been out of work for more than a year." (AP, Reuters)

Lufthansa and KLM Post Earnings Rises As Revenue Drops

Compiled by Our Staff From Dispatches
AMSTERDAM — Two European airlines, Lufthansa and KLM Royal Dutch Airlines, reported higher earnings Thursday for the latest quarter, but revenues at both declined despite higher traffic as cost-conscious passengers sought out the cheapest fares. Lufthansa reported a second-quarter pretax profit of 24 million Deutsche marks (\$14 million), compared with a pretax loss of 245 million DM. For the first half, the German airline had a loss of 221 million DM, less than half the year-earlier loss of 542 million DM. Lufthansa's flight revenue eased 0.6 percent to 6.9 billion DM in the first half, despite an increase in the number of passengers and the amount of cargo carried. That was because passengers paid 8 percent less on average than a year earlier in the second quarter, while prices for cargo fell by some 6 percent, Lufthansa said. KLM, meanwhile, said net profit had risen 5 percent, to 40 million guilders (\$21 million) for the first quarter, despite weak air fares and passengers' preference for economy seats. The rise was just above the top range of industry analysts' forecasts, and compares with a 38 million guilder profit a year earlier. It was spurred by deep cost cuts, which included a 72 million guilder boost from a 21-month pension-fund moratorium. KLM, which had a loss of 562 million guilders in the year to March 31, declined to make any forecast for the current year, citing economic and currency uncertainties. Revenue was disappointing. The company flew 14 percent more passengers and freight, yet earned 3 percent less from doing it. Total revenue fell to 2.11 billion guilders from 2.20 billion. The chairman of the Dutch airline, Piet Bouw, said the company expected to boost earnings by about 200 million guilders annually by changing its seating configuration, phasing out first-class seats and improving business-class seats. The changes must be fully implemented by next financial year, Mr. Bouw said. On planned seating changes, Mr. Bouw said the new configuration in its Boeing 747 and MD-11 aircraft would make more space available for tourist-class seats. "The availability of an increasing number of nonstop connections is restricting KLM's first-class traffic increasingly to travelers to and from the Netherlands," a market that is too small to justify retaining a separate first-class cabin, he said. Mr. Bouw said KLM believed the first-class market decline was "structural," but said the business-class market was expected to pick up with economic recovery. He said KLM expected to be able to hold onto a proportion of its first-class passengers by improving business-class seats and enhancing comfort to bring them closer to current first-class standards. The reconfiguration will increase the number of seats in the existing fleet substantially, resulting in lower ticket prices and higher income and potential costs, Mr. Bouw said. Mr. Bouw also told the annual shareholders meeting that savings from streamlining under the proposed Alcatraz partnership with Scandinavian Airlines System, Swissair AG and Austrian Airlines were estimated at about 8 percent to 10 percent of total costs. (AFP, AFX, Bloomberg, Reuters)



Record Trading Boosts UBS Results

Compiled by Our Staff From Dispatches
ZURICH — Union Bank of Switzerland, the country's largest bank, said Thursday that net profit had surged 89 percent in the first half, powered by record earnings from trading in securities, foreign currencies, precious metals and interest-rate instruments. The result, which brought earnings to 1.29 billion Swiss francs (\$846 million) in the first half and exceeded many analysts' expectations, lifted the bank's share price on Thursday by 1.8 percent to 1,221 francs. Credit Suisse, a rival bank, predicted last month that UBS's first-half profit would rise 51 percent. UBS predicted a "very good" result for the full year but cautioned that the second half may not keep pace with the first. "The brisk activity on the leading securities markets, with dramatic rallies in some cases, as well

as volatile fluctuations in various foreign-exchange rates and lower money-market rates in several major currencies, led to record profits in the trading sector," the bank said in a letter to shareholders. Income from trading business rose 144 percent to 1.55 billion francs, just short of the result for all of 1992 and compared with only 633 million francs in the first half of last year. (Reuters, Bloomberg, AFX)

Very briefly:

- France's consumer prices rose 2.2 percent in July from a year ago, up from a rate of 1.9 percent posted in June.
- West German wholesale prices fell 0.7 percent in the month to mid-July from a year earlier. They had fallen 1.8 percent in the previous month.
- Spain's central bank said that the economy may have hit bottom after gross domestic product contracted by about 1 percent in each of the first two quarters of 1993. But the bank cautioned that "the beginning of the recovery is still not in sight."
- Pilkington PLC said it had sold 20 percent of its British automotive-glazing unit, Triplex Safety Glass, to Nippon Sheet Glass Co. for £13.3 million (\$19.6 million).
- Elkem A/S, a Norwegian metals processor, posted its first profit in three years with a pretax result of 61 million kroner (\$8.2 million) in the first six months. The company cited cost-cutting, lower exchange rates and lower taxes.
- South Africa's gross domestic product, boosted by agriculture recovering from a drought, posted a year-to-year rise of 5.1 percent in the second quarter after rising 1.4 percent in the first.

COMPANY RESULTS

Company	1992	1993	1992	1993
Switzerland				
UBS	1,288	482.60	1,288	482.60
Turkey				
KOC Holdings	452,175	210,960	452,175	210,960
United States				
Bear Stearns	1,071	871	1,071	871
Federated Dept Stores	1,288	257	1,288	257
Germany				
Lufthansa	2,795	368.50	2,795	368.50
Other				
Vevo	3,270	33,171	3,270	33,171

Standard Chartered Dips, Then Surges

Compiled by Our Staff From Dispatches
LONDON — Standard Chartered PLC disclosed a sharp rise in loan-loss provisions in its first-half results Thursday, and its share price sank but later surged amid speculation about a takeover bid, traders said. There was no confirmation of any bid, and it was out clear where the bid was rumored to be coming from. The shares ended at 922 pence (\$13.59), up 24 pence, after falling to 873 and rising to a record 934. One London stock specialist expressed surprise at the rise, saying it did not appear justified on fundamental grounds. "But the market is not about fundamentals at the moment," he added, referring to the burst of enthusiasm that has pushed the Financial Times-Stock Exchange 100-share index to record levels. The banking company posted first-half pretax profit of £169 million, up from £59 million a year earlier. But its bad-debt provision rose to £127 million from £118 million. The interim dividend was raised to 7.5 pence a share from 7 pence. (Reuters, AFX)

Reports of Ford-Werke Shift

Bloomberg Business News
COLOGNE — Ford-Werke AG, the German unit of Ford Motor Co., declined to comment on press reports that its chief executive, John Hardiman, would be replaced by Albert Caspers, an engineer. Sales in the first half of 1993 fell to 11.4 billion Deutsche marks (\$6.6 billion), from 12.8 billion DM a year earlier. No profit figures for 1993 have been published. In 1992, the company lost 469 million DM, its first loss in six years.

NASDAQ

Thursday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	P/E	Stk	High	Low	Latest	Open
100	90	IBM	4.00	4.0	12	100	100	90	100	100
120	110	Microsoft	0.00	0.0	15	120	120	110	120	120
80	70	Oracle	0.00	0.0	10	80	80	70	80	80

12 Month High	Low	Stock	Div	Yld	P/E	Stk	High	Low	Latest	Open
150	140	Intel	0.00	0.0	12	150	150	140	150	150
100	90	Motorola	0.00	0.0	10	100	100	90	100	100
80	70	Sun	0.00	0.0	10	80	80	70	80	80

12 Month High	Low	Stock	Div	Yld	P/E	Stk	High	Low	Latest	Open
120	110	Comcast	0.00	0.0	10	120	120	110	120	120
100	90	WorldCom	0.00	0.0	10	100	100	90	100	100
80	70	Verizon	0.00	0.0	10	80	80	70	80	80

12 Month High	Low	Stock	Div	Yld	P/E	Stk	High	Low	Latest	Open
100	90	AT&T	0.00	0.0	10	100	100	90	100	100
80	70	Qwest	0.00	0.0	10	80	80	70	80	80
60	50	Level 3	0.00	0.0	10	60	60	50	60	60

صحة من الأصل

In Japan, a Power Shift to Importer

By T. R. Reid
Washington Post Staff Writer

TOKYO—This sounds like another case of Japan's managed trade. Last week, a key bureaucrat called in executives of the nation's largest trading companies and "advised" them to cut their beef imports.

You might expect Japan's trading partners—in the case of meat, mainly the United States and Australia—to be seething.

"We're not overly concerned about it," said Neil Butler of Australian Meat & Livestock Corp. in Tokyo. "I don't think the Japanese government has the power to control the beef market now. There's an agreement in place. There are no more import quotas. The market will decide how much beef comes to Japan."

A U.S. official specializing in agricultural sales to Japan agreed. "What the government says won't have much impact on imports. Beef imports are going up to a new record this year no matter what the Japanese government tries to do."

In fact, the latest round of Tokyo's administrative guidance demonstrates the decline of bureaucratic power. In markets ranging from beef to boots to baseball bats, the old model of a government-industrial combine—Japan Inc.—is giving way to a more market-

oriented system where consumer demand matters more than agency decree.

The administrative guidance on beef imports was issued by a man of considerable importance in Japan's food world: Katsuhiko Obata, director of the Meat and Egg Section of Japan's Ministry of Agriculture.

Last Friday, Mr. Obata summoned representatives from 41 food-importing companies. Seven simply declined to show up. Mr. Obata said he told those in attendance that beef imports had rocketed this spring and this was causing trouble for domestic beef producers. He advised the companies to refrain from "excessive" imports.

[The Australian embassy in Tokyo on Thursday protested his action, the Kyodo news service reported. "The Japanese government has an obligation to honor its beef agreement with Australia," the statement said, adding that Australia was monitoring the situation.]

The Agriculture Ministry had to make a political gesture to mollify the domestic producers, said Shuzo Mogi, of Tokyo's Food System Research Institute. "But the ministry knows it can't affect things the way it used to. It's supply and demand that adjusts the import market."

Two years ago, the last time the ministry told beef importers to cut back, imports climbed to a record for the rest of the year. This spring the import tariff was lowered and the dollar fell sharply. Both factors made importing beef a lot cheaper.

At Daito, the biggest retail grocer, the price of rib roast has fallen 22 percent over two years, from 458 yen per 100 grams in 1991 to 358 yen on Thursday (about \$15.60 per pound at the current rate).

In a society where Western-style meals are the last word in trenches, beef now enjoys a bull market. American and Australian officials expect the numbers to continue their strong upward trend for 1993 as a whole.

Mr. Butler suggested one reason why Washington was not complaining too loudly, even though this would appear to be a case of doubletalk at a time when Japanese leaders sing the virtues of free trade and complain that President Bill Clinton is trying to introduce "managed trade."

"When it comes to beef, the Americans are much more protectionist than Japan is," Mr. Butler said, adding that Australian beef had no problems getting into Japan now, but faced restrictions in the United States.

Yasuharu Ishizawa in Tokyo contributed to this article.

South Korea to Put 'Real-Name' Rule Into Effect Friday

SEOUL—President Kim Young Sam on Thursday issued an emergency order implementing a "real-name" transaction system for stock purchases as of Friday, and the finance minister ordered banks and financial institutions to close Friday morning.

Brokers said the surprise announcement would cause a wave of selling on the Korea Stock Exchange because of fears of investigation by the tax authorities. The real-name system bans the practice, believed to be widespread among large individual investors, of conducting financial transactions under a pseudonym to avoid taxation or scrutiny by the government.

Mr. Kim said the government would investigate the sources of funds declared to find out whether the assets had been obtained legally. But, in an effort not to depress the weak stock market further, he said no retroactive taxes would be levied on capital gains during his five-year term in office.

Amidst a disorder in the market, Finance Minister Hong Joon Hyong ordered all banks and financial institutions to cease transactions Thursday evening and remain closed until 2 P.M. on Friday. He gave no further details. It was not immediately clear whether the closing order also applied to the stock exchange or whether the real-name order would be extended beyond stock trading to other investment activities.

"It will certainly dry up liquidity, and the institutions will be forced to be big net buyers for now," an analyst for a Western securities firm said, adding that the Ministry of Finance would order institutions to buy to support the market.

The stock market plunged after Mr. Kim was inaugurated in February because he had advocated a real-name system during his election campaign as part of a drive to end corruption in South Korea's government, business and military.

But government officials had said since then that the real-name system would not be introduced in 1993. Mr. Kim did not give a reason for its sudden implementation, except to say that without it, "we cannot substantially seal off corruption and irregularities."

Scores of senior officials, including cabinet members, other politicians and military leaders, have been arrested or fired in the anti-corruption campaign.

He called the National Assembly to a special five-day session starting Monday to ratify the order. (Knight-Ridder, Reuters)

Exchange	Index	Thursday Close	Friday Change
Hong Kong	Hang Seng	7,338.85	-1,200.00
Singapore	Straits Times	1,992.90	-130.10
Sydney	All Ordinaries	1,878.50	-10.88
Tokyo	Nikkei 225	20,788.24	-2,128.57
Kuala Lumpur	Composite	776.18	-70.28
Bangkok	SET	662.84	-18.17
Seoul	Composite Stock	728.84	-10.32
Taipei	Weighted Price	1,140.75	-115.04
Manila	Composite	1,781.68	-174.59
Jakarta	Stock Index	390.25	-20.85
New Zealand	NYSE-40	1,888.02	-166.24
Bombay	National Index	1,485.81	-116.23

Seven Network Soars in Initial Offering

SYDNEY—Shares of Seven Network, Australia's second-largest commercial-television network, rose Thursday to 25 percent above their listing price on the first day of trading on the stock exchange.

The shares soared to 2.71 Australian dollars (\$1.86) from a listing price of 2 dollars each for the 300 million shares.

News Corp., the multinational media, broadcasting and publishing concern run by Rupert Murdoch, has a 15 percent stake in the network, the most it can hold under Australia's rules on cross-ownership of media outlets. The state-owned telecommunications concern Telstra Corp. owns 11 percent. Analysts said the premium re-

flected response to Mr. Murdoch's renewed role in Australian television and expectations of rising advertising revenue, as the country's recovery gains momentum.

"There's a sense that advertising rates are on their way up, and that should help out Seven," said a Sydney-based media analyst.

Seven has said it expects to report earnings before interest and tax of \$6.1 million dollars for the year that ended in June, rising to \$5.4 million dollars in the current financial year.

Some interest in the issue also was attributed to a contest for "dominance of Australia's television market. The Nine Network, owned by a competitor of Mr. Murdoch's, Kerry Packer, holds a slight lead

over Seven Network in the national television ratings.

The share issue also marked the return of Seven to the local bourse after the slide into bankruptcy in 1989 of its previous owner, Qintex, led by the flamboyant entrepreneur Christopher Skase. Proceeds from the issue will be used to pay some of the debt owed to the banking syndicate that took it over.

News Corp. and Telstra bought 150 million dollars of the issue, and institutions were offered 290 million dollars, leaving retail investors scrambling for the remaining 160 million dollars, brokers said.

The Australian-born Mr. Murdoch, now a naturalized American citizen, left local television in 1987 when he sold a stake in Ten Network that he had bought in 1981.

News Corp. also recently acquired control of STAR-TV, based in Hong Kong, the dominant satellite broadcaster in Asia.

Murdoch Sale in Hungary

Mr. Murdoch has sold his stake in the Hungarian newspaper Mai Nap to Bank of Credit of Hungary, the paper's co-owner, AFP-Extel News reported from Budapest, quoting the bank's chairman, Istvan Toerocsekai.

Mr. Toerocsekai said Mr. Murdoch had sold the stake, which he acquired three years ago for \$3 million, because the paper had not achieved the expected levels of circulation and profit.

Manila Plans 2-Step Sale Of 60% of Oil Company

MANILA—President Fidel Ramos said Thursday that the Philippines would sell off 60 percent of the state-owned oil company Petron by early next year.

An agreement from the presidential palace said that 40 percent of the country's biggest oil refiner and fuel retailer would be sold by December to a "strategic partner" that would enhance its access to crude-oil supplies or improve its technology or finances.

A further 20 percent will be sold in the first quarter of 1994 through the stock market and through an employee stock-option plan, the palace quoted Mr. Ramos as saying. The government, facing a cash shortage and political opposition to new taxes, has accelerated plans to sell off state assets in recent months.

senior legislator quoted in the China Daily report.

"If approved, the corporate law will empower all state firms to look after their own rights and liabilities," said Mr. Li of a sector where 40 percent of all enterprises are loss-makers but which nonetheless has recently been responsible for a disproportionate amount of fixed capital investment relative to its shrinking output.

The report in China Daily did not make clear which industries of the estimated 15,000 state-owned businesses will be cut loose from state support. The businesses run the gamut from heavy industry to commerce and employ hundreds of millions of people.

The chances of Mr. Zhu successfully enacting

Very briefly:

- East Japan Railway Co. attracted a higher-than-expected 18,670 bids for shares, including 14,508 from individuals, in the auction that marked the start of its sale to private investors. Half of the railway's 4 million shares outstanding will be listed as of Oct. 26.
- Hyundai Electrical Engineering Co. workers voted to accept a contract providing a 4.7 percent pay increase and other benefits. They were seeking 15 percent pay raises when they began a work slowdown June 16.
- NEC Corp. said it would invest 40 billion yen (\$383.3 million) to increase its production capacity for thin-film transistor liquid-crystal display panels to 200,000 units a month by 1996, from 40,000.
- Japanese computer makers' shipments of personal computers rose 1 percent in value, to 266.4 billion yen, in the second quarter from a year earlier, an industry association said. Domestic shipments fell 2 percent to 185.3 billion yen, but exports rose 9 percent to \$1.1 billion yen.
- Telekom Malaysia will invest 13 billion ringgit (\$5.05 billion) to increase its capacity to 7 million lines from 4 million by 1997, when the government expects the country to have 25 telephones for each 100 people, compared with 11.6 per 100 currently.
- China's autonomous region of Inner Mongolia is negotiating for foreign investment to quadruple power-generating capacity by 2000, the newspaper Wen Wei Po said. North and northeast China have a chronic energy shortage despite the region's rich coal reserves.
- American President Lines will begin operating from the former American naval base at Subic Bay in the Philippines this month.
- Taiwan's cabinet approved a plan to inject about \$750 million of capital into the island's high-technology industries. Funds are to go to at least 20 companies, but specific recipients have not yet been chosen.

For Coles Myer, Expansion Spree

MELBOURNE—Australia's largest retailer, Coles Myer, on Thursday unveiled plans for a 4.2 billion Australian dollar (\$2.9 billion) face-lift.

The chief executive, Peter Bartels, said the investment program in Australia and New Zealand involved the construction of 421 new stores, refurbishment of 1,136 others and expansion of more than 12 major shopping centers. It would also invest in technology, distribution centers and new business.

"It's the most ambitious investment program ever undertaken by this company," Mr. Bartels said. He said the plan, to be financed from cash deposits and cash flow to maintain the company's strong balance sheet, was a major plank in its strategy to encourage profitability and stockholder return.

Mr. Bartels said the expansion would create 24,000 retail jobs, 30,000 construction positions and a further 85,000 jobs indirectly. The Coles Myer financial director, John Barner, said he expected no impact on the company's credit rating.

The announcement came just as figures showed that seasonally-adjusted unemployment fell to 924,300, or 10.7 percent, in July from 966,400, or 11.1 percent in June, mainly because discouraged job seekers gave up.

Coles Myer, the biggest private-sector employer in Australia with a payroll of 142,000, has annual sales of 14.5 billion Australian dollars, or 15 percent of the retail market.

Mr. Bartels said Coles Myer, 21.26 percent owned by the American retailer Kmart Corp., would invest 1.5 billion dollars in new stores, including three of its flagship Myer department stores in Victoria, Western Australia and Queensland.

It would also build more Target and Kmart discount stores, Coles supermarkets, Kates fashion outlets and Liquorland and Red Rooster beverage and food stores.

Coles Myer's announcement comes one week after four of Australia's biggest grocery wholesalers revealed they were considering merging to form the country's second-biggest grocery distributor after Woolworths.

Chinese Have Tobacco to Burn

BEIJING—China, the world's biggest consumer and grower of tobacco, has produced a huge glut as farmers ignore government limits and fill their fields with the cash crop, the official China Commerce newspaper said Thursday.

The newspaper said the tobacco craze had left China with enough supplies to keep its estimated 300 million smokers puffing for two and half years, far more than the government has money to pay for.

China now has more than 5 million tons of tobacco, worth 20 billion yuan (\$3.48 billion), of which about 55 percent is this year's production, China Commerce said. It said farmers this year planted 14 percent above the state's planned level.

CHINA: One-Third of State Enterprises to Lose Protection by 1995

Continued from Page 1

vision, "If these policies go forward, it is a very positive move," said Enzo von Pöhl, an economist with S. G. Warburg Securities in Hong Kong. "China is now seeking to address the causes of inflation, not just the symptoms."

Starting last month with a 16-point plan aimed at tightening credit and regaining control of an economy splintering into regional and municipal power centers, the deputy prime minister, Zhu Rongji, has targeted China's economy for sweeping structural change.

China's top legislative body, the Standing Commission of the National People's Congress, has completed drafting a corporate code that could be ratified this month, said Li Yining, a

series of unpopular austerity measures have apparently strengthened, judging from the clampdown on development zones.

According to Hu Ping, director of the special economic zone office, only one-tenth of the local economic development zones have turned out to be "beneficial for the local economy," and 5,900 square kilometers (2,250 square miles) of land will be returned to largely agricultural use.

About one-fifth of an estimated 2,000 zones nationwide are still waiting for funds to start planned projects, despite a Xinhua news agency report which indicated that the State Council had approved only 30 economic and technological development zones in the country's coastal areas.

AMEX Thursday's 3 p.m.

Table includes the reference prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	52	High	Low	Lowest	Change
12.50	11.00	AA	0.00	0.00	0.00	0.00	12.50	11.00	10.00	+0.50
13.00	11.50	AB	0.00	0.00	0.00	0.00	13.00	11.50	10.50	+0.50
14.00	12.00	AC	0.00	0.00	0.00	0.00	14.00	12.00	11.00	+0.50
15.00	13.00	AD	0.00	0.00	0.00	0.00	15.00	13.00	12.00	+0.50
16.00	14.00	AE	0.00	0.00	0.00	0.00	16.00	14.00	13.00	+0.50
17.00	15.00	AF	0.00	0.00	0.00	0.00	17.00	15.00	14.00	+0.50
18.00	16.00	AG	0.00	0.00	0.00	0.00	18.00	16.00	15.00	+0.50
19.00	17.00	AH	0.00	0.00	0.00	0.00	19.00	17.00	16.00	+0.50
20.00	18.00	AI	0.00	0.00	0.00	0.00	20.00	18.00	17.00	+0.50
21.00	19.00	AJ	0.00	0.00	0.00	0.00	21.00	19.00	18.00	+0.50
22.00	20.00	AK	0.00	0.00	0.00	0.00	22.00	20.00	19.00	+0.50
23.00	21.00	AL	0.00	0.00	0.00	0.00	23.00	21.00	20.00	+0.50
24.00	22.00	AM	0.00	0.00	0.00	0.00	24.00	22.00	21.00	+0.50
25.00	23.00	AN	0.00	0.00	0.00	0.00	25.00	23.00	22.00	+0.50
26.00	24.00	AO	0.00	0.00	0.00	0.00	26.00	24.00	23.00	+0.50
27.00	25.00	AP	0.00	0.00	0.00	0.00	27.00	25.00	24.00	+0.50
28.00	26.00	AQ	0.00	0.00	0.00	0.00	28.00	26.00	25.00	+0.50
29.00	27.00	AR	0.00	0.00	0.00	0.00	29.00	27.00	26.00	+0.50
30.00	28.00	AS	0.00	0.00	0.00	0.00	30.00	28.00	27.00	+0.50
31.00	29.00	AT	0.00	0.00	0.00	0.00	31.00	29.00	28.00	+0.50
32.00	30.00	AV	0.00	0.00	0.00	0.00	32.00	30.00	29.00	+0.50
33.00	31.00	AW	0.00	0.00	0.00	0.00	33.00	31.00	30.00	+0.50
34.00	32.00	AX	0.00	0.00	0.00	0.00	34.00	32.00	31.00	+0.50
35.00	33.00	AY	0.00	0.00	0.00	0.00	35.00	33.00	32.00	+0.50
36.00	34.00	AZ	0.00	0.00	0.00	0.00	36.00	34.00	33.00	+0.50
37.00	35.00	BA	0.00	0.00	0.00	0.00	37.00	35.00	34.00	+0.50
38.00	36.00	BB	0.00	0.00	0.00	0.00	38.00	36.00	35.00	+0.50
39.00	37.00	BC	0.00	0.00	0.00	0.00	39.00	37.00	36.00	+0.50
40.00	38.00	BD	0.00	0.00	0.00	0.00	40.00	38.00	37.00	+0.50
41.00	39.00	BE	0.00	0.00	0.00	0.00	41.00	39.00	38.00	+0.50
42.00	40.00	BF	0.00	0.00	0.00	0.00	42.00	40.00	39.00	+0.50
43.00	41.00	BG	0.00	0.00	0.00	0.00	43.00	41.00	40.00	+0.50
44.00	42.00	BH	0.00	0.00	0.00	0.00	44.00	42.00	41.00	+0.50
45.00	43.00	BI	0.00	0.00	0.00	0.00	45.00	43.00	42.00	+0.50
46.00	44.00	BJ	0.00	0.00	0.00	0.00	46.00	44.00	43.00	+0.50
47.00	45.00	BK	0.00	0.00	0.00	0.00	47.00	45.00	44.00	+0.50
48.00	46.00	BL	0.00	0.00	0.00	0.00	48.00	46.00	45.00	+0.50
49.00	47.00	BM	0.00	0.00	0.00	0.00	49.00	47.00	46.00	+0.50
50.00	48.00	BN	0.00	0.00	0.00	0.00	50.00	48.00	47.00	+0.50
51.00	49.00	BO	0.00	0.00	0.00	0.00	51.00	49.00	48.00	+0.50
52.00	50.00	BP	0.00	0.00	0.00	0.00	52.00	50.00	49.00	+0.50
53.00	51.00	BQ	0.00	0.00	0.00	0.00	53.00	51.00	50.00	+0.50
54.00	52.00	BR	0.00	0.00	0.00	0.00	54.00	52.00	51.00	+0.50
55.00	53.00	BS	0.00	0.00	0.00	0.00	55.00	53.00	52.00	+0.50
56.00	54.00	BT	0.00	0.00	0.00	0.00	56.00	54.00	53.00	+0.50
57.00	55.00	BV	0.00	0.00	0.00	0.00	57.00	55.00	54.00	+0.50
58.00	56.00	BW	0.00	0.00	0.00	0.00	58.00	56.00	55.00	+0.50
59.00	57.00	BX	0.00	0.00	0.00	0.00	59.00	57.00	56.00	+0.50
60.00	58.00	BY	0.00	0.00	0.00	0.00	60.00	58.00	57.00	+0.50
61.00	59.00	BZ	0.00	0.00	0.00	0.00	61.00	59.00	58.00	+0.50
62.00	60.00	CA	0.00	0.00	0.00	0.00	62.00	60.00	59.00	+0.50
63.00	61.00	CB	0.00	0.00	0.00	0.00	63.00	61.00	60.00	+0.50
64.00	62.00	CC	0.00	0.00	0.00	0.00	64.00	62.00	61.00	+0.50
65.00	63.00	CD	0.00	0.00	0.00	0.00	65.00	63.00	62.00	+0.50
66.00	64.00	CE	0.00	0.00	0.00	0.00	66.00	64.00	63.00	+0.50
67.00	65.00	CF	0.00	0.00	0.00	0.00	67.00	65.00	64.00	+0.50
68.00	66.00	CG	0.00	0.00	0.00	0.00	68.00	66.00	65.00	+0.50
69.00	67.00	CH	0.00	0.00	0.00	0.00	69.00	67.00	66.00	+0.50
70.00	68.00	CI	0.00	0.00	0.00	0.00	70.00	68.00	67.00	+0.50
71.00	69.00	CJ	0.00	0.00	0.00	0.00	71.00	69.00	68.00	+0.50
72.00	70.00	CK	0.00	0.00	0.00	0.00	72.00	70.00	69.00	+0.50
73.00	71.00	CL	0.00	0.00	0.00	0.00	73.00	71.00	70.00	+0.50
74.00	72.00	CM	0.00	0.00	0.00	0.00	74.00	72.00	71.00	+0.50
7										

SPORTS BASEBALL

Molitor Helps Jays Win, Yankees Walk by Bosox

The Associated Press
Whatever Jim Deshaies tried against Paul Molitor, it didn't work.

Molitor drove in three runs and scored twice Wednesday night, helping Juan Guzman and the Toronto Blue Jays beat the visiting Minnesota Twins, 4-2.

Molitor hit a two-run double and his 17th homer. The rest of Toronto's lineup managed three hits against Deshaies.

"There's no one way to pitch him," Deshaies said. "He can handle the off-speed stuff and he's certainly quick enough to get around on any fastball."

"I put him in the same category as guys like Tony Gwynn and John Kruk. You think the ball's by them and they pull it out of the catcher's mitt and put it in play," he said.

Molitor put the Blue Jays up, 2-0, in the first, following Rickey Henderson's leadoff single and AL ROUNDPUP

Devon White's double with a two-run double to the gap in left-center.

Phillies Make Most Of Their Castoffs

The Associated Press
While the headlines this winter went to free agents Barry Bonds and Greg Maddux, the Philadelphia Phillies quietly collected some lesser lights and castoffs.

They may not have seemed to be much of a catch then, but Pete Incaviglia, Jim Eisenreich, Mike Thompson and David West are now key reasons the Phillies are in first in the National League East.

Incaviglia hit his 21st homer of the season, and Eisenreich added his fifth in tie the score at 5-3 in the sixth.

NL ROUNDPUP

AL ROUNDPUP

That gave the Phillies a seven-game lead over second-place St. Louis. Incaviglia hit his 21st homer of the season, and Eisenreich added his fifth in tie the score at 5-3 in the sixth.

Thompson walked to lead off the bottom of the ninth, stole second and moved to third on catcher Darin Fletcher's throwing error.

Graves 4, Mets 2: Maddux pitched a five-hitter to beat host New York for the fifth straight time over two seasons.

Jeff Blauser broke a 2-2 tie with a sixth-inning homer, and David Justice's 27th homer of the season with two outs in the ninth provided insurance.

Astros 9, Padres 6: Eric Anthony, Scott Searis and Andujar Cedeno all homered in a five-run fifth as Houston rallied from a 6-2 deficit in San Diego.

Valenzuela, after being out of major league baseball for virtually two seasons, has had an impressive run. His last six starts in July, Valenzuela posted an earned-run average of 1.28.

The Expos trailed, 4-2, before Moises Alou hit a three-run homer, his 15th of the season, in the fifth. But Eisenreich tied it with the third homer allowed by Montreal starter Dennis Martinez.

Lenny Dykstra had hit his 13th in the third, a two-run shot that batters after Incaviglia had led off the inning with his homer.

He is not close. Valenzuela, after being out of major league baseball for virtually two seasons, has had an impressive run. His last six starts in July, Valenzuela posted an earned-run average of 1.28.

"He has location problems at times, but I don't want to get into the technical part of pitching," the Expos' manager, Felipe Alou, said of Martinez.

Rockies 3, Dodgers 2: Colorado won its fourth straight as pitcher Armando Reynoso clipped in with three singles in Los Angeles, despite entering the game with an .044 batting average (2-for-45).

Rich Levin, a spokesman for Major League Baseball, said there will be no official announcement until the conclusion of the meeting. The owners were scheduled to conclude their session Thursday, but reservations have been made at the American Club resort until Friday.



The Yankees' Matt Nokes went down after being hit in the head by Roger Clemens, whose wild pitching quickly doomed the Red Sox.

Tapie's Alibi Is Jolted by Ally's Photo

Compiled by Our Staff From Dispatches
BETHUNE, France — Staff at the town hall staged a one-day strike here Thursday in support of Mayor Jacques Mellick as the Olympique Marseille match-rigging case took a new twist following evidence that cast doubt on the alibi of the soccer team's president, Bernard Tapie.

Tapie has been accused by the former Valenciennes coach, Boro Primorac, of trying to bribe him to take the blame for the affair, which involves what three Valenciennes players have alleged was an attempt by Marseille to pay them to throw a match last season.

Tapie has denied Primorac's claims, and has been backed up by Mellick, a former Socialist government colleague, who has said he was with Tapie at his business headquarters in Paris on the afternoon of July 17, when Primorac claims his meeting took place.

Yet Mellick's own version of events was thrown into doubt Wednesday when he was pictured in the local government newspaper, Cap sur L'Innovation, meeting municipal workers at 2 P.M. that day.

Primorac says he met Tapie at 3:00 P.M., while Mellick says he left Tapie at 3:30 P.M. Bethune is 240 kilometers (150 miles) north of Paris.

Police spent much of Wednesday questioning people who were present at the function, while Mellick disputed the time given in the photo's caption, saying he had arrived at the meeting "very late."

The municipal employees struck Thursday "out of solidarity and friendship." (AFP, Reuters)

catcher Jeff Tackett pitched a scoreless eighth inning.

Mariners 4, Royals 3: Mike Blowers hit his third grand slam of the season as Seattle won in Kansas City to halt the Royals' four-game winning streak.

Angels 4, Rangers 1: Tim Lincecum hit two doubles and scored twice as California won in Texas.

The Angels scored three times in the first inning, the first run coming on Salmon's double. He also doubled in the third and scored on Eduardo Perez's second RBI single.

Braves 4, Mets 2: Maddux pitched a five-hitter to beat host New York for the fifth straight time over two seasons.

Jeff Blauser broke a 2-2 tie with a sixth-inning homer, and David Justice's 27th homer of the season with two outs in the ninth provided insurance.

Incaviglia hit his 21st homer of the season, and Eisenreich added his fifth in tie the score at 5-3 in the sixth.

Thompson walked to lead off the bottom of the ninth, stole second and moved to third on catcher Darin Fletcher's throwing error.

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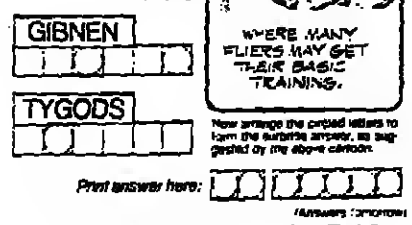
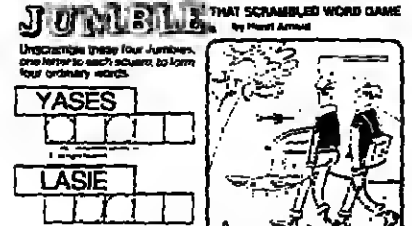
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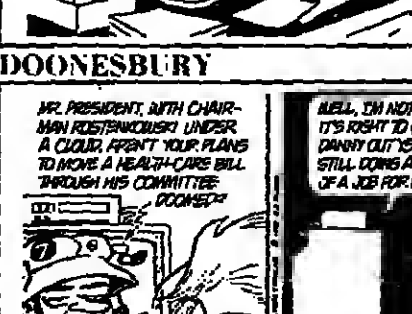
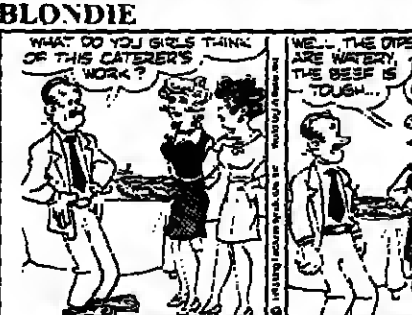
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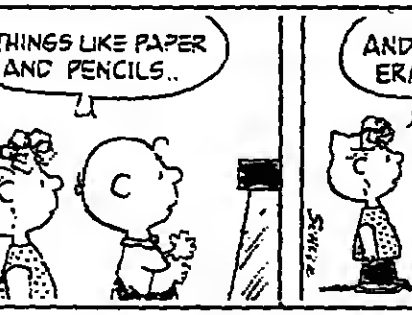
DENNIS THE MENACE



PEANUTS



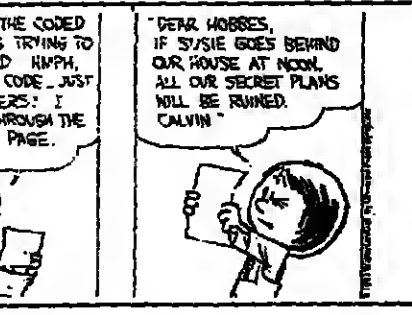
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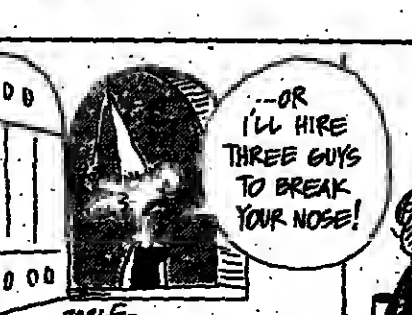
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SPORTS PGA CHAMPIONSHIP

World Athletic Championships: Only the Stars Go On for a Song

By Ian Thomson
International Herald Tribune
STUTT GART — The official logo is the planet surrounded by a running track. From a distance it looks like a yoyo wound by a string. Pull the string and we all go flying. This is the pretentiousness of an event grown monstrously fast. Friday night commences the World Championships in Athletics, the fourth of a type begun in 1983. From nothing has come an 11-day festival of 1,362 athletes and 189 countries — 17 more than were represented at the last Olympics.

Carl Lewis called the 1991 World Championships in Tokyo "the best track meet in history" after it broke world records in the men's long jump and 100 meters. Its founder is Franz Nebl, president of the International Amateur Athletic Federation, and supposedly his idea is to make it as grand as the Olympics.

But its size is built not on tradition, but on marketing. At least the Olympics bars corporate logos from the stadiums. Here, logos of the 13 official sponsors prevail like slot machines in Las Vegas. If our world is surrounded by a track, as the official flag suggests, then the track is overwhelmed by a galaxy of stars named Coca Cola, Olivetti and Seiko, and on and on and on. It's a dreary, tiresome flag, and it stands for nothing.

The competition will be outstanding, but first there is the required Opening Ceremony, which exists only because the Olympics has one. In this case, it's like every movie ever made about Marilyn

Monroe. Nobody ever watches them, because they know Marilyn, and that blonde on the screen is not Marilyn.

Liza Minnelli was supposed to perform at the opening ceremony Friday night. On Tuesday her new agents called and said Liza had fired her old agents and none of her contracts were valid. You know that your worldwide Opening Ceremony is a flop before it happens if Liza Minnelli's dumping you like a weekend at the Sands. Something was done about it. The phone lines were burned up and Chuck Berry was hired.

"He is more than just a replacement for Liza Minnelli," assured a spokesman.

Maybe Barry will ask the audience to sing along to his last big hit, "My ding-a-ling," which is older than a lot of the athletes here. Usually he divides the audience, asking the women to sing "my ding-a-ling," then the men and so on.

On Friday, Chuck might say, "Let's hear it from all the people making money off this thing. They'll all chant, firm and loud, and then Chuck can cry out: 'Now let's hear it from the athletes!'"

Nebl says athletes will never be paid for competing in the Olympics and the World Championships. "We must maintain the spirit of competing for the ideal," he says. However, he did negotiate with one of his corporate sponsors to give each winner the keys to a new Mercedes.

The IAAF contains the word "amateur," but its athletes are professional in all their cars are not

the same as money, and the most idealistic of events is held in Goulet-Datard Stadium, renamed after the founder of Mercedes.

Noureddine Morceli of Algeria, who holds the world record in the 1,500 meters, is threatening to boycott as soon as Liza Minnelli if he does not receive money. His manager accused the IAAF of making deals with certain athletes to coax them to Stuttgart, saying, "We know that they pay. I have proof that they pay."

He has not revealed his proof. "If no one is earning money, it's O.K.," said the manager, Amar Brahimia. "But some people are earning money. Spectators are paying to see the athletes. Sponsors are giving money."

The concept will work during those rare moments of performance in between the opening ceremony and the allotment of luxury cars that somehow do not sacrifice the ideal. The biggest event will begin Saturday with the heats of the men's 100 meters, culminating in the final promising Olympic gold medalist Linford Christie versus Carl Lewis, winner of 16 gold medals in the Olympics and World Championships.

"This is worse than running for free," Lewis complained Thursday. "Free is when you're walking someone in a mall. This is hard work — for nothing. There is a difference."

Lewis predicts that athletes will be paid at the new Championships, in Goulet-Datard Stadium, in 1995. "I'm not going to retire now," he says. "We're just starting to make good money."

The talk keeps returning to money, because it is so obviously the engine of this event. There were organizational problems at a preparatory meet here two weeks ago, largely because the city had formed its organizing committee just 21 months ago — in response to an IAAF decision to hold its championships every two years, rather than four.

This resulted in a \$91 million IAAF windfall from the European Broadcasting Union for the rights to the World Championships. From that only \$22 million will be spent on developmental programs for athletes. It is a global event, not for charity, and none of the income will go to the performers.

Nonetheless, the ideal will be added, set forth grandly by the likes of Jackie Joyner-Kersey, Mike Powell and high jumper Heike Beckel, one of the few German contenders and thus burdened to win. The Cuban high jumper, Javier Sotomayor, won't complain, and neither will the Chinese women runners expected to breakthrough here — they are bound by their national federations to limited salaries and silence.

For sure the profiteers will be heard Friday night, in a stadium renamed after one of their own, as they rub tailored shoulders and sing along with Chuck



Dudley Hart en route to his 5-under-par 66 and a tie with Richard Zokol in the PGA Championship.

Longshots Take The Early Lead

Compiled by Our Staff From Dispatches
TOLEDO, Ohio — A couple of longshots, Dudley Hart of the United States and Richard Zokol of Canada, scrambled out of the rough and into a tie for the early lead Thursday in the first round of the U.S. PGA Championship.

Hart, who has yet to win in three years on the U.S. pro tour, and Zokol, who has one official victory in 12 years, shot 5-under-par 66s at Inverness. Both said relatively benign conditions during their early morning starts played a major part in their efforts.

"If you're in command of your game," Zokol said, "the golf course can be scored on."

With a slightly rain-soaked Inverness Club yielding a surprising number of birdies, they were one shot ahead of Barry Lane of Britain, Americans Mark McCumber and Dan Forsman and Eduardo Romero of Argentina.

Romero, who plays on the European tour, where he has three top-10 finishes this year, missed a short putt on the final hole to fall out of a tie for the lead.

British Open champion Greg Norman, who finished second to Bob Tway in the PGA here in 1986, finished just two shots off the pace in one of his better starts in this major championship.

"I made a lot of up-and-downs," Norman said after making four birdies following an opening bogey. Also at 68 were veteran Hale Irwin, who won the 1979 U.S. Open on this course, Gene Sauers and John Huston.

Sauers had led this champion-

ship after each of the first three rounds last year, then faltered with a 75 as Nick Price of Zimbabwe came on to win.

Price, the hottest player in the game since that triumph with eight victories, was playing later in the day. He was level par after opening bogey, birdie, par.

The 7,024-yard (6,423-meter), par-71 Inverness course, where Tway stole the '86 PGA title from Norman when he held out from a bunker on the 72d hole, yielded most of the day's birdies early in the back nine.

"The middle holes are playing easier," Hart said after he birdied five of six holes starting at number nine.

McCumber got five birdies in a row starting at the ninth.

Zokol also took advantage of those holes, getting the first eagle of the championship on the 515-yard 13th, where he holed out with a sand wedge from 20 feet (6 meters) off the green.

Lane, playing in his first PGA Championship, made five birdies and one bogey in posting his 67. He was 13th in the British Open last month and was the top European finisher in the U.S. Open in June, tying for 17th.

"I drove the ball beautifully," he said. "I only missed two fairways."

Tway, who has been in a horrible slump in recent years, opened with a 70 after a birdie on the 18th.

U.S. Open champion Lee Janzen also shot 70 and said, "Any time you put up a red number," below par, "in the first round during a major championship you have to feel good about it."

Masters champion Bernhard Langer, however, didn't feel too good after a 75 as the winners of the first three major championships of the year played in the same group.

John Daly, who exploded onto the scene with a stunning victory in the 1991 PGA, shot an even-par 71 after bogeying the final hole.

Daly, the longest hitter in golf, did not even carry any woods in his bag so he would not be tempted to try to overpower his opponent as he did Crooked Stick in '91.

Nick Faldo, the world's top ranked player, was one of the day's late starters. He began with a birdie on the first hole and just missed another at the second.

(Reuters, AP)

IAAF Firm on Drug Ban.

The Associated Press
STUTT GART — Despite the risk of further legal conflicts, the IAAF upheld Thursday its hard-line penalties for drug use.

It rejected proposals for more lenient sanctions and stuck to its automatic four-year suspension for use of steroids and other performance-enhancing substances. The IAAF increased the ban from two years to four years in 1991. A second violation results in a life suspension.

The German track federation, its hand forced by the contested drug suspension of Katrin Krabbe, proposed a flexible system of penalties.

First, the Germans proposed that first-time violators receive a suspension of between one and four years, depending on the degree of guilt. They later suggested a ban of between two and four years, and four years to life for a second offense. Finally, the Germans were forced to withdraw their proposals after the overwhelming majority of IAAF members spoke against them.

Arne Ljungqvist, chairman of the IAAF doping commission, said the decision will lead to continued legal problems in countries where courts do not recognize four-year bans. He cited Germany, France and Sweden.

"It's against the law in many countries and causes conflicts," he said. "When the four-year ban was looked into by legal authorities, it has not been accepted. We will face new problems, but the congress chose to disregard this."

Spain made a compromise proposal under which an athlete could be banned four years from international competition and two years from national competition. That, too, was rejected by the congress.

The congress also decided that any athlete who competes during a doping suspension will have his ban start over again from that date. The change was in response to Burt Reynolds, the world record-holder at 400 meters who went to the U.S. Supreme Court last year to win permission to run in the U.S. Olympic trials.

Also, any athlete caught trafficking in drugs will be banned for life.

Ryder Cup Team: Battle Within a Battle

By Jaime Diaz
New York Times Service
TOLEDO, Ohio — The PGA Championship used to be the beginning of the end of the golf season. But every two years, the fourth major championship also becomes the fashioner of the U.S. Ryder Cup team.

For nearly 30 players in this week's field, the battle that began Thursday at the Inverness Club will be for more than an inscription on the Wanamaker Trophy.

It will be for a chance to participate in what has been dubbed golf's fifth major, as one of the 12 players who will represent the United States at it defends the cup against a European team at the Belfry in Sutton Coldfield, England, on Sept. 24-26.

Six players have clinched spots on this year's team: Paul Azinger, Fred Couples, Tom Kite, Lee Janzen, Corey Pavin and Payne Stewart.

Two others, John Cook and Davis Love 3rd, are virtually assured of places, while Chip Beck and Jim Gallagher are in the still-tenuous last two spots.

The top 10 players in the point standing, which covers the two-year cycle between cup matches, earn automatic Ryder Cup berths.

With the PGA worth 300 Ryder Cup points to the winner, everyone down to the 34th player in the point standing — Mark Wiebe — can still qualify for the team with a victory.

The two players with their noses pressed

Longshots Take The Early Lead

hardest against the glass are Larry Mize, who needs to finish at least alone in 10th place this weekend to make the team, and Jeff Maggert, who needs to at least finish alone in eighth.

Mize, 34, has won twice this year, at Tucson, Arizona, and last week at the Buick Open in Grand Blanc, Michigan, while Maggert, 29, has been a consistent money winner with five finishes of third or better in the last two years.

If neither qualifies for the team under the point system that ends Sunday night, team captain Tom Watson has said each is among the five or six players on his short list for the two wild-card choices to fill out the team.

Ever since he was named captain last year, Watson, who played on four Ryder Cup teams, has been evaluating players and taking polls to decide whom he will pick.

"There has been a consensus," Watson said Wednesday. "As difficult as the selection is, it's been easy to make up a short list of who should be there."

Although Watson says he is keeping an open mind, his comments in the past indicate he values experience and fierce competitiveness above all other attributes. The mild-mannered Mize has played in only one Ryder Cup, while Maggert, who has never been on the team, has so far proved suspect down the stretch in the several tournaments he has contested in.

With only Jay Haas, Mark O'Meara and Raymond Floyd having Ryder Cup experience among the players in the 10th through 26th

Spence Leads in Austria

England's Jamie Spence, seeking to make his Ryder Cup debut in September, enhanced his chances Thursday by breaking the course record with an 8-under-par 64 in the Austrian Open in Vienna, United Press International reported.

But he had only one stroke lead over a Ryder Cup rival, Ireland's Ronan Rafferty, and fellow Englishman Paul Curry.

"These last three weeks are my final throw of the dice," said Spence. "and I'm here to win."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE		East Division	
W	L	Pct.	GB
Toronto	43	57	.431
Boston	43	58	.428
New York	44	57	.435
Minnesota	45	56	.444
Detroit	38	64	.371
Cleveland	32	70	.314
Chicago	27	75	.263
West Division			
Chicago	42	54	.438
Kansas City	39	57	.407
Texas	38	58	.398
Seattle	35	62	.360
California	31	66	.319
Minnesota	27	70	.286
Oakland	27	70	.286
NATIONAL LEAGUE			
East Division		West Division	
W	L	Pct.	GB
Philadelphia	42	54	.438
St. Louis	42	54	.438
Montreal	40	56	.417
Chicago	36	60	.375
Pittsburgh	35	61	.364
Florida	28	43	.292
New York	27	54	.283
West Division			
San Francisco	38	50	.435
Atlanta	38	50	.435
Houston	37	51	.422
Cincinnati	35	53	.398
Los Angeles	35	53	.398
San Diego	28	50	.360
Colorado	27	51	.347

Wednesday's Line Scores

AMERICAN LEAGUE		NATIONAL LEAGUE	
W	L	Pct.	GB
Oakland	6	2	.750
Chicago	6	2	.750
San Francisco	6	2	.750
Philadelphia	6	2	.750
St. Louis	6	2	.750
Montreal	6	2	.750
Chicago	6	2	.750
Pittsburgh	6	2	.750
Florida	6	2	.750
New York	6	2	.750
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Atlanta	6	2	.750
Houston	6	2	.750
Cincinnati	6	2	.750
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San Diego	6	2	.750
Colorado	6	2	.750

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Minnesota	45	56	.444
Detroit	38	64	.371
Cleveland	32	70	.314
Chicago	27	75	.263
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East Division		West Division	
W	L	Pct.	GB
Philadelphia	42	54	.438
St. Louis	42	54	.438
Montreal	40	56	.417
Chicago	36	60	.375
Pittsburgh	35	61	.364
Florida	28	43	.292
New York	27	54	.283
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San Francisco	38	50	.435
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Houston	37	51	.422
Cincinnati	35	53	.398
Los Angeles	35	53	.398
San Diego	28	50	.360
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AMERICAN LEAGUE		NATIONAL LEAGUE	
W	L	Pct.	GB
Oakland	6	2	.750
Chicago	6	2	.750
San Francisco	6	2	.750
Philadelphia	6	2	.750
St. Louis	6	2	.750
Montreal	6	2	.750
Chicago	6	2	.750
Pittsburgh	6	2	.750
Florida	6	2	.750
New York	6	2	.750
San Francisco	6	2	.750
Atlanta	6	2	.750
Houston	6	2	.750
Cincinnati	6	2	.750
Los Angeles	6	2	.750
San Diego	6	2	.750
Colorado	6	2	.750

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Atlanta	6	2	.750
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Cincinnati	6	2	.750
Los Angeles	6	2	.750
San Diego	6	2	.750
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Pittsburgh	6	2	.750
Florida	6	2	.750
New York	6	2	.750
San Francisco	6	2	.750
Atlanta	6	2	.750
Houston	6	2	.750

OBSERVER

The Streets of Paradise

By Russell Baker
NEW YORK — My friend Henry says they ought to rename it Surly Boulevard every August. He is referring to Pleasant Street, a Nantucket Island thoroughfare on which I have suffered much fear and the fury of strangers these past three weeks.

In calling it a thoroughfare I strain at sarcasm, because fare along Pleasant Street is anything but thorough and, as Henry's observation suggests, far from pleasant, at least in high summer. I mention this modest motorway in a very small town because it is a perfect miniature model of social breakdown caused by overcrowding. It is bizarre to find such a model on Nantucket because Nantucket is a place where the rich and well-fixed flock each summer in search of Paradise.

An Outsider's Inside Look at America

By Eric Brace

WASHINGTON — From his Transylvanian birthplace in his New Orleans home, the transplanted Romanian poet Andrei Codrescu has traveled more than his share of roads.

Last year, the man best known for his wry commentaries on National Public Radio's "All Things Considered" added a few more miles to his personal odometer—and to that of a borrowed red 1968 Cadillac convertible. With camera crew in tow, he rolled down Route 66, Highway 1 and Interstate 95 (among others) to create the documentary "Road Scholar."

"By making a movie, I was made to eat my words, in a way," he says, "because I've written enough things blasting television and film as simplistic, unimaginative, as mind-control agents." He adds, "Whenever I scream loud enough about something, I seem to end up having to do something about it."

Codrescu rolls his Rs and coughs up his consonants in an accent still thick 27 years after his arrival in the United States. It's an accent that caught the ear of the filmmaker Roger Weisberg, who, after hearing Codrescu out of his office in the English department at Louisiana State University in Baton Rouge, he's hardly given up on the written word, however. He wrote the recently released "Road Scholar," an expanded version of his oration for the film, with photographs by David Graham.

Graham says Codrescu's vision of the United States helped shape his photographs. "He has an ironic sense of detachment, but he savors all things American, and he brings a different spice to his observations. Some people respond to him in a negative way when they hear him on the radio or when we were out on the road. He's just not a saccharin-sweet guy, but who cares? You've got Charles Kuralt for that. There are way too many people out there making comments that are unenlightened with reality. Andrei finds a very distinct reality."

You get the feeling from Codrescu that the road trip was a conscious escape from academia. "It's true, I wanted to replace theory with affection," Codrescu admits. "There are so many people analyzing the state of the United States, like [French author Jean] Baudrillard's book



Andrei Codrescu, took U.S. pulse in "Road Scholar."

"America." A real piece of [expletive]. Every time he sees a silt he starts going into some French theory. Give me a break. The guy doesn't see anything. French postmodernist theory about culture and society and all of that is cold."

The affection Codrescu feels for the characters he encounters in "Road Scholar" comes from his sympathy for outsiders. As a 19-year-old immigrant in Detroit in 1966 who spoke little English, Codrescu discovered how it feels to be just a little out of place. "I was this scraggly immigrant with only one pair of pants," he remembers. His biography in the "Contemporary Authors" reference book series says he was expelled from the University of Bucharest for criticism of the government and fled the country to avoid being conscripted into the army. "Oh, I wrote that bio," he says. "I was a baby dissident. I was writing juvenile poetry with things like 'red cows' and 'guns melting,' which is the shorthand of a small oppressed country could be very threatening."

PEOPLE

Mapplethorpe Defender To Head Rock Museum

Dennis Barrie, the Cincinnati museum director cleared of obscenity charges for an exhibit of Robert Mapplethorpe photographs in 1990, is moving on to rock 'n' roll. He'll become director of Cleveland's new Rock and Roll Hall of Fame and Museum. "I have a high-culture background, but I've always been very interested in pop culture," said Barrie. "It's one of the most potent forces in the world."

Federico Fellini, 73, isn't easily kept down. In Rimini, Italy, where he's recovering from a stroke, the director says he plans to make a film about his illness. "It is the only way to make any sense of it," he said. Doctors say he'll have to stay 10 to 15 more days in the hospital.

Woodstock devotees can take heart. This year's celebration of the Aug. 15, 1969, festival may take place after all, albeit in another field a bit down the road. The current owner of the original site dumped truckloads of chicken manure on the land and threatened to have trespassers arrested. So Charles Maynor, an original Woodstock concert-goer, came to the rescue, offering his land for the festival.

And while we're on anniversaries, about 10,000 over-the-hill Elvis Presley fans are flocking to Memphis for Elvis Week to mark the King's death on Aug. 16, 1977. And 128 of them, including some women, will compete in the annual Elvis impersonator contest, complete with spangled outfits, gresled pompadours, and sideburns.

Salman Rushdie, the author under an Iranian death threat, surprised 72,000 rock fans at London's Wembley Stadium with a live appearance during a concert by the group U2. The concert was held to draw attention to the Bosnia war.

Jazz trumpeter Al Hirt, 70, recovering from gall bladder surgery in New Orleans, is expected to be back playing in four to six weeks.

INTERNATIONAL CLASSIFIED
Appears on Pages 4 & 8

WEATHER

Weather forecast section including maps of Europe, North America, and Asia, with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to a puzzle from August 12.

If you're going to travel all over the map, here's how to call from almost any point on it.

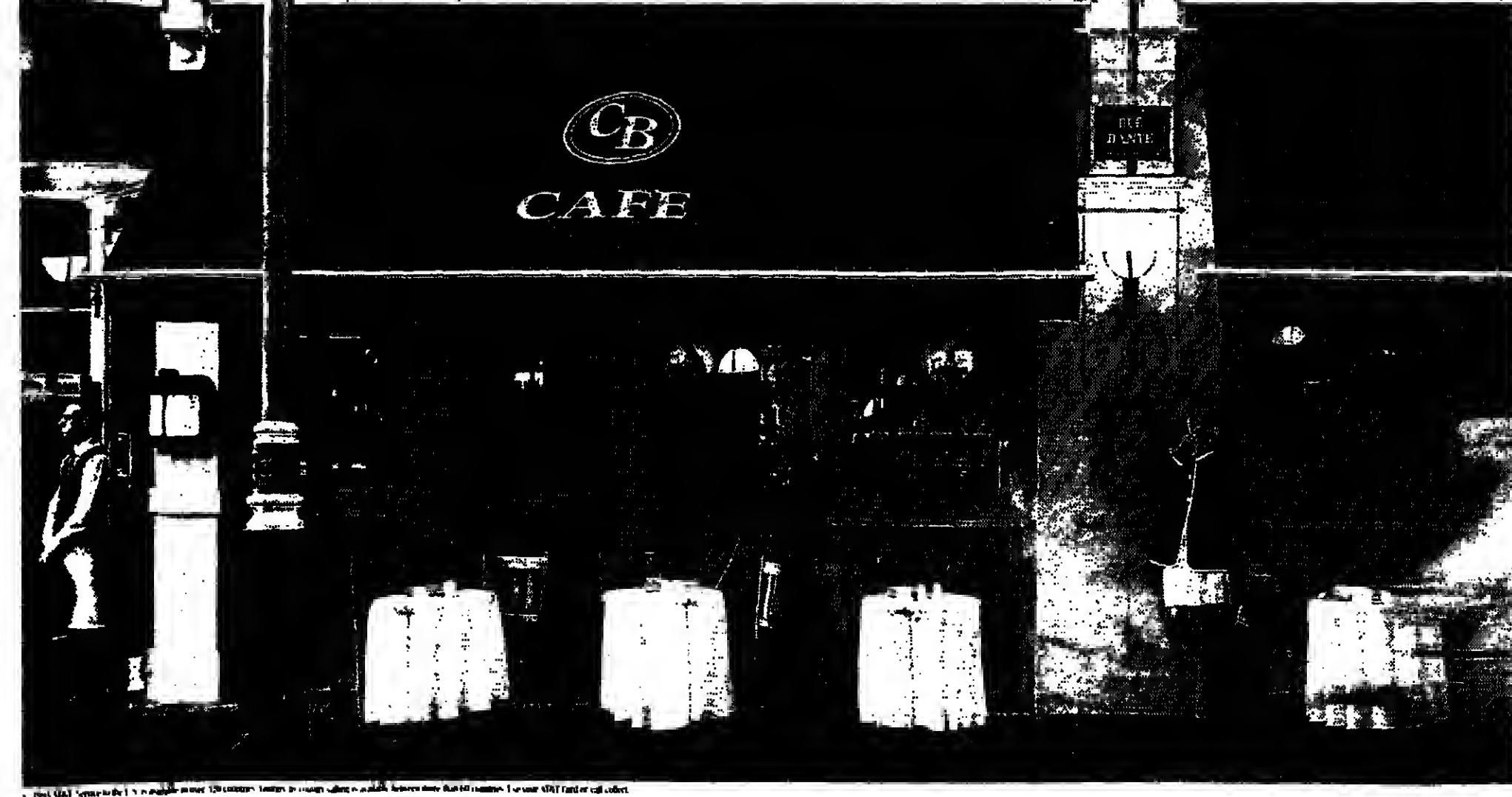


Table of AT&T Access Numbers for various international destinations, including phone numbers and area codes.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The i Plan from AT&T.

سكربتات الأصيل